



**Auditor of State
Betty Montgomery**

PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY

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**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. Department of Agriculture						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$ -	\$ 58,349	\$ -	\$ 63,799
School Breakfast Program	05-PU 01/02	10.553	152,654	-	137,442	-
National School Lunch Program	03-PU 01/02	10.555	544,799	-	540,116	-
Total U.S. Department of Agriculture- Child Nutrition Cluster			697,453	58,349	677,558	63,799
U.S. Department of Education						
<i>Passed through Ohio Department of Education:</i>						
Special Education Grants to States (Title VI-B)	6B-SF 01/02 P	84.027	285,178	-	283,368	-
Grants To Local Educational Agencies (ESEA Title I)	C1-S1 01/02	84.010	1,289,077	-	1,283,555	-
Even Start	EVS2 02	84.213	121,038	-	169,850	-
Reading Excellence	RN-S2 02	84.338	332,495	-	289,179	-
Class Size Reduction	CR-S1 02	84.340	229,937	-	218,743	-
Eisenhower Professional Development State Grant	MS-S1 02	84.281	43,275	-	24,422	-
Innovative Educational Program Strategy Grant (Title VI)	C2-S1 01/02	84.298	9,446	-	24,872	-
Drug Free Schools Grant	DR-S1 02	84.186	41,183	-	35,671	-
Raising the Bar	TF51 01	84.318	207,929	-	183,981	-
School Renovation, IDEA and Technology	ATS1 02	84.352A	26,573	-	15,390	-
Goals 2000	G2-S1 01/02	84.276	43,482	-	75,670	-
Total Passed Through Ohio Department of Education			2,629,613	-	2,604,701	-
<i>Direct from the U.S. Department of Education:</i>						
Impact Aid	PL 81 874	84.041	18,041	-	18,041	-
21st Century Community Living Center	N/A	84.287	805,671	-	823,867	-
Total U.S. Department of Education			3,453,325	-	3,446,609	-
U.S. Department of Labor						
<i>Passed through Ohio Department of Education:</i>						
School To Work	N/A	17.249	12,061	-	7,946	-
Total U.S. Department of Labor			12,061	-	7,946	-
U.S. Department of Health and Human Services						
<i>Passed through Ohio Department of MRDD</i>						
Medical Assistance Program - CAFS	N/A	93.778	81,974	-	81,974	-
Total U.S. Department of Health and Human Services			81,974	-	81,974	-
Total Federal Awards Receipts and Expenditures			\$ 4,244,813	\$ 58,349	\$ 4,214,087	\$ 63,799

The accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR FISCAL THE YEAR ENDED JUNE 30, 2002**

NOTE A - BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the School District had no significant food commodities in inventory.



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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Portsmouth City School District
Scioto County
1149 Gallia Street
Portsmouth, Ohio 45662

To The Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Portsmouth City School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2002, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 6, 2003, wherein we noted the School District is experiencing certain negative financial conditions and also has adopted Governmental Accounting Statements No. 34, 37 and 38 and Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-10773-001 and 2002-10773-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated February 6, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-10773-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated February 6, 2003.

This report is intended for the information and use of the audit committee, management, the Board of Education and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 6, 2003



**Auditor of State
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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Portsmouth City School District
Scioto County
1149 Gallia Street
Portsmouth, Ohio 45662

To the Board of Education:

Compliance

We have audited the compliance of the Portsmouth City School District, Scioto County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated February 6, 2003.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the Portsmouth City School District, Scioto County, as of and for the year ended June 30, 2002, and have issued our report thereon dated February 6, 2003, wherein we noted the School District is experiencing certain negative financial conditions and also has adopted Governmental Accounting Statements No. 34, 37 and 38 and Interpretation 6. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

February 6, 2003

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title I - CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(Continued)**

2. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number 2002-10773-001

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states the total appropriation from each fund should not exceed the total estimated resources.

There were several funds in which the appropriations exceeded the estimated resources within the original budget of the School District. The following are the funds and the related excesses:

Fund	Excess Amount	Percent Excess
General	\$73,448	0.43%
Job and Family Services	11,028	18.29%
Disadvantaged Pupil Impact Aid	158	0.01%
Textbook Subsidy	973	0.83%
Ohio Reads	14,998	206.95%
Miscellaneous State Grant	114,083	70.02%
Dwight D. Eisenhower	29,375	106.06%
Title VI-B	405	0.13%
Drug Free Schools	9,046	32.28%
E-Rate Funding	73,878	172.73%
Miscellaneous Federal Grant	12,543	0.90%
Debt Service	16,898,498	4472.82%
Interactive Video Distance Learning	58,500	900.00%

At February 28, 2002, there were numerous funds in which the appropriations exceeded the estimated resources as documented on the most recent Amended Official Certificate of Estimated Resources. The following are the funds and the related excess:

Fund	Excess Amount	Percent Excess
General	\$357,105	2.11%
Jobs and Family Services	29,085	64.55%
General Fund - Staff Development	7,944	63.60%
Disadvantaged Pupil Impact Aid	157	0.01%
Textbook Subsidy	973	0.84%
Ohio Reads	60,000	107142.86%
Miscellaneous State Grants	278,171	171.08%
Dwight D. Eisenhower	58,750	212.16%
Title I	338,193	17.10%
Drug Free Schools	18,154	72.03%
E-Rate Funding	190,526	445.47%
Miscellaneous Federal Grants	250,876	18.18%
School Net	100,000	247.75%
Interactive Video Distance Learning	123,500	1900.00%
Rotary	10,632	348.59%

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(Continued)**

**2. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**Finding Number 2002-10773-001
(Continued)**

Noncompliance Citation – Ohio Rev. Code Section 5705.39 (Continued)

We recommend the School District not approve appropriations in excess of estimate resources. If the district feels that the original estimate of the resources can be increased, it should request an Amended Certificate of Estimated Resources from the County Budget Commission prior to increasing the appropriations.

Finding Number 2002-10773-002

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing authority is to expend money unless it has been appropriated.

Expenditures exceeded appropriations at February 28, 2002 as follows:

Fund	Excess Amount	Percent Excess
General - Support	\$14,134	108.82%
General - Athletics	70,694	201.03%
Education Management Information System	5,527	53.53%
Debt Service	14,284	No Appropriations
Permanent Improvement	32,454	387.28%
Ohio Schools Facilities Commission	9,923	271.64%
General - Supplies	4,273	No Appropriations

Expenditures exceeded appropriations at June 30, 2002 as follows:

Fund	Excess Amount	Percent Excess
Education Management Information System	\$426	2.61%
Ohio Reads	3,911	7.49%
Title VI	14	0.04%
Drug Free	3,563	9.58%
Title VI-R	1,634	0.75%

The Treasurer should deny payment requests exceeding appropriations. The Treasurer may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(Continued)

**2. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

Finding Number 2002-10773-003

A comparison of the appropriations as approved by the Board of Education at October 4, 2001 to the appropriations per the financial reports generated by the accounting system of the School District revealed that the amounts included on the reports did not agree to the amounts approved by the Board of Education. As a result, the financial reports utilized by management and the Board to monitor the budgetary position of the School District did not reflect the appropriate budgeted amounts. Such instances could hamper the ability of management and the Board to effectively monitor the accurate budgetary position of the School District.

We recommend an employee of the Treasurer's office compare the approved budget to the amounts on the reports generated by the accounting system of the School District. Any errors should be noted and corrected to ensure that management has access to accurate reports on which to base decisions.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.

**PORTSMOUTH CITY SCHOOL DISTRICT
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315 (c)
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-10773-001	The Treasurer will request an Amended Certificate of Estimated Resources from the County Budget Commission prior to increasing the appropriations.	July 1, 2003	Paula Butler, Treasurer
2002-10773-002	The Treasurer will not certify expenditures in excess of appropriations.	July 1, 2003	Paula Butler, Treasurer
2002-10773-003	The Treasurer's office will compare the approved budget to the amounts on the reports generated by the accounting system of the school district, noting and correcting any errors.	July 1, 2003	Paula Butler, Treasurer

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PORTSMOUTH CITY SCHOOL DISTRICT

1149 Gallia Street, Portsmouth, Ohio 45662



Jee Hae Jones, McKinley Elementary School

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2002

PORTSMOUTH CITY SCHOOL DISTRICT

PORTSMOUTH, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Issued by:

Treasurer's Office

Paula J. Butler, Treasurer

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INTRODUCTORY SECTION

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**PORTSMOUTH CITY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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P O S I T I V E L Y
PORTSMOUTH
CITY SCHOOLS

CHARACTER CURRICULUM CAREER COMMUNITY

Your School System of Choice!

OFFICE OF THE TREASURER

February 6, 2003

To the Citizens and
Board of Education of the
Portsmouth City School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Portsmouth City School District for the fiscal year ended June 30, 2002. This CAFR contains financial statements, supplemental statements and schedules and statistical information providing complete and full disclosure of all material financial aspects of the School District for the 2002 fiscal year.

The School District is responsible for the accuracy, completeness, and fairness of the data presented. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. We have included all disclosures necessary to enable the reader to gain an understanding of the School District's financial activities. This report is prepared in conformity with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes the table of contents, this transmittal letter, a list of principal officials, a Certificate of Achievement for Excellence in Financial Reporting (GFOA), and a Certificate of Excellence in Financial Reporting (ASBO), and the School District's organization chart.

The **Financial Section** includes the report of independent accountants on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

The **Statistical Section** includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

v

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This report includes all activities of the School District. The School District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum offerings at general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; and special education programs and facilities.

FORM OF GOVERNMENT AND REPORTING ENTITY

Portsmouth City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The Current Board members, their terms and total years on the Board as of June 30, 2002, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Ray Thompson	Jan. 2002 - Dec. 2005	1/2
Mrs. Teresa Midkiff	Jan. 2002 - Dec. 2005	2
Dr. Lacey Curtis	Jan. 2000 - Dec. 2003	2 - 1/2
Dr. George P. Pettit	Jan. 2002 - Dec. 2005	1 - 3/4
Mr. Clarence M. Parker	Jan. 2000 - Dec. 2003	2 - 1/2

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. Wyvonna J. Broughton was appointed Superintendent on August 1, 2001 for a period of four years.

The Treasurer is the chief financial officer of the School District and is directly responsible to the Board for all financial operations, investments, and custody of all School District funds and assets, and also serves as Secretary to the Board. Mrs. Paula J. Butler was appointed Treasurer effective January 1, 2002, through December 31, 2004.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

The Booster clubs, Alumni associations, Parent Teacher Organizations, and the City of Portsmouth perform activities within the School District's boundaries for the benefit of its residents but are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

The following activities are included within the reporting entity:

Parochial Schools – Within the School District boundaries, Notre Dame Elementary, Notre Dame High School, and Harvest Christian Academy are all operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

The School District is associated with six organizations, four of which are defined as jointly governed organizations, and two of which are defined as insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

ECONOMIC CONDITION AND OUTLOOK

The Portsmouth City School District is located in Scioto County, on the beautiful Ohio River. The Portsmouth City School District is the gateway to three states, seven counties, and within 90 miles of major metropolitan markets. The City of Portsmouth, the county seat, is just 89 miles south of Columbus, OH on U.S. 23; 112 miles east of Cincinnati, OH via U.S. 52 (a scenic route) or State Route 32; and 54 miles west of Huntington, WV on U.S. 52.

In Portsmouth and South Central Ohio you'll discover a region with abundant natural resources and an area that possesses a skilled and productive labor, technical, and management workforce.

Southern Ohio was the first part of the State to be settled and is rich in historic communities and buildings. Because of its heritage, the area has a strong and proud work ethic among its citizens, who are renowned for their professionalism, craftsmanship, and loyalty.

A citizen sponsored project, starting in 1992 and continuing today, is the painting of murals on the flood wall in the Boneyfiddle District of the City. These murals tell the “story” of Portsmouth and are a great tourist attraction.

Portsmouth hosts the annual Roy Rogers Festival, to honor native son Roy Rogers. A display of memorabilia from his collection is on permanent display in Portsmouth.

Visitors can also revel in Portsmouth’s past by visiting the Boneyfiddle District Brewery Arcade, a unique and fascinating historic area of antique enthusiasts. The Scioto County Historical Society presents the 1810 Homestead, meticulously detailed and furnished to delight visitors.

Portsmouth is ideally located on the Ohio and Scioto Rivers, to provide for all types of water related activities. The annual River Days is held over Labor Day weekend and draws many visitors.

The City of Portsmouth is also home to the continually expanding Shawnee State University, bringing higher education to the Tri-State area. Shawnee State currently offers seventy-seven Bachelor and Associate degree programs. Other higher education facilities in the area include Southeastern Business College in New Boston, four miles east of the City and Ohio University Ironton Branch, 35 miles east of the City.

The County’s major employers which provide products and services to the Portsmouth area are as follows:

Lockheed Marietta Energy Systems
Southern Ohio Medical Center
Southern Ohio Correctional Facility
Norfolk Southern Railroad
Shawnee State University
Aristech Chemicals
Mitchellace, Inc.
OSCO Industries
Portsmouth City School District

THE SCHOOL DISTRICT AND ITS FACILITIES

The School District served 2,257 students during the 2002 fiscal year. Facilities include one high school, one middle school, and four elementary schools which include preschool. The enrollment per school is as follows:

<u>School</u>	<u>Date Established</u>	<u>Grades</u>	<u>Enrollment</u>
Harding Elementary	1920	K - 6	348
Roosevelt Elementary	1926	PK - 3	268
Wilson Elementary	1925	K - 3	331
McKinnley Elementary School	1916	4 - 6	426
U.S. Grant Middle School	1930	7 - 8	324
Portsmouth High School	1912	9 - 12	560

The School District closed the Highland and Lincoln school buildings in the spring of fiscal year 2000 and closed the Portsmouth East High and Middle Schools as of June 30, 2001. These buildings were closed as part of the School District's effort to reduce spending to coincide with decreasing student population. In June 2001 the School District leased the Portsmouth East Middle and High School Building to the Sciotoville Community School, Inc. On July 1, 2001, the Sciotoville Community School commenced paying the utilities, day-to-day maintenance and upkeep. On September 1, 2001, the Sciotoville Community School commenced paying \$4,000 per month through December 31, 2001. At that time the lease was reduced to \$3,000 per month through May 31, 2002. On June 27, 2002, the Portsmouth East Middle and High School Building was deeded to the Sciotoville Community School.

EMPLOYEE RELATIONS

The School District currently employs 295 full-time and part-time employees. Since 2001, the School District's enrollment has decreased from 2,628 to the current enrollment of 2,257 due to open enrollment and the creation of the Sciotoville Community School.

The School District teachers, educational specialist, and counselors are represented by the Portsmouth City Teachers Association (PCTA), one of two organizations representing School District employees. The School District's beginning teacher's salary is \$25,762. The PCTA negotiated and received a two percent salary increase for fiscal year 2002. Currently the PCTA is operating under a contract effective until June 30, 2004.

Classified employees are represented by the Ohio Council 8 AFSCME Local 2684. The Board and Local 2684 have agreed on a "me too" clause for the 2001-2002, 2002-2003, and 2003-2004 school years. The "me too" clause stipulates that if any bargaining group of employees of the Portsmouth City School District receives an increase in wages or benefits, Local 2684 bargaining unit employees shall receive the same percentage. Therefore, the Local 2684 bargaining unit also received a two percent salary increase for fiscal year 2002. Currently the Local 2684 bargaining unit is operating under a contract effective until August 31, 2004.

The School District's administrators are not organized. Administrators typically receive the same benefits extended to PCTA.

MAJOR INITIATIVES

On November 6, 2001, the school district voters approved a 6.5 mil levy to build five new school buildings in cooperation with the Ohio School Facilities Commission. Proceeds were received from the levy during the second half of fiscal year 2002. The School District's obligation of \$17,086,465 is 24.5% compared to \$52,617,285 (75.5%) coming from the State of Ohio. However, due to the District being placed into Fiscal Caution by the Ohio Department of Education (ODE) on April 19, 2001, the School District chose to participate in the Credit Enhancement Intercept Program to ease investor's fears in the purchasing of bonds. This additional level of security provides that, should the School District experience a shortfall in the Board of Education's funding of the debt service payment, ODE will pay the debt service payment rather than certain foundation payments being paid to the Board of Education. Should a shortfall occur, the Board of Education is to notify ODE fifteen business days in advance of the payment due date. If foundation payments are used for debt service payments, ODE is required to evaluate the Board of Education's inability to meet the debt service payments and recommend corrective actions to be implemented by the Board of Education.

FOR THE YEAR

The Portsmouth City School District has adopted the following vision and mission statements:

"Our vision is to be designated as an "Effective" school district as defined by the Ohio Department of Education. The mission of the Portsmouth City School District is to provide the highest quality of education for all students."

The Portsmouth City School District believes that:

All students can learn, given appropriate instruction and sufficient time.
Children are our most valuable assets.
Each person is unique and deserves respect.
Self-discipline is a key element to success.
A safe and healthy environment improves the quality of our lives.
Many values that shape and influence lives are learned in the family.
Change is inevitable and the ability to adapt enhances success.
Life is a learning process and learning is lifelong.
A positive work ethic promotes a higher quality of life.
Individuals are responsible for their actions.
Morality and ethics are the foundation of society.

The School District also instituted the following continuous improvement goals for the 2002 school year:

1. Academic achievement in the Portsmouth City School District will improve in each of the next five years.
2. Portsmouth City School District will increase student attendance and the graduation rate such that the Ohio Department of Education performance standards are achieved or surpassed by the year 2005.
3. All students at each grade level will meet the National Technology Foundation Standards for Students by the year 2005.
4. The Portsmouth City School District will develop and implement a K-12 Career Education Plan and K-12 Character Education Plan.

The School District has added the following new program/class offerings at Portsmouth High School: Building & Property Maintenance (vocational unit), various Career Tech classes, a Technology and Music Class, an Advanced Physical Education Class, and a Print Shop Program.

The School District has also adopted and implemented numerous security measures such as the addition of cameras and monitors in one high school and one middle school as well as on buses. The School District has also added identification badges for all employees. It is now School District policy that the majority of all doors, at all schools, be locked to all incoming individuals after the arrival of students for the remainder of the school day. The School District is also implementing stricter enforcement of the code of conduct and the dress code.

FOR THE FUTURE

To achieve the goals stated above, the Portsmouth City School District has embarked on a comprehensive five-year plan designed to assure each and every student that he or she will achieve the required academic proficiencies to the maximum extent of his or her abilities. The School District plans on funding these programs with the assistance of several grants.

SERVICE EFFORTS

With the assistance of the Ohio Department of Education, and under the guidance, direction, and leadership of the Superintendent of Schools and the Board of Education, the Portsmouth City School District administration continues to forge strategic alliances with state, national and regional agencies and organizations to achieve the goals and expectations mandated by the local community and the Board of Education. Strategic alliances presently in place and currently benefiting students include:

Early Literacy Intervention

Early Literacy Intervention is a comprehensive district-wide literacy program for students in kindergarten, grade one, and grade two. The goal of the Early Literacy Intervention program is to enable all students to become independent readers and writers.

Reading Recovery/Arkansas

Reading Recovery teachers serve students using the one-to-one strategies of reading recovery. Some of these students will eventually be placed back in the classroom. Roosevelt, Harding, and Wilson schools have this program as an early intervention for first graders.

State of Ohio Venture Capital School Program

State of Ohio Venture Capital provides the School District with a blueprint for continued systemic improvement. Venture schools have been trained in creating a Vision Statement, a Mission Statement, Goals, Success Indicators, Strategies, and in using data-driven decision making techniques to support the achievement of Success Indicators.

Peer Mediation / Conflict Involvement

With guidance and support from staff at the Ohio University Southern Campus in Ironton, Ohio, the School District has begun implementing Peer Mediation and Conflict techniques at the middle school level across the School District. Conflict Resolution works on preventative discipline rather than punitive discipline. The School District has experienced positive results from these programs, which are measured using both guidance office data and discipline data information generated by State software. The School District has begun to implement these techniques systemically across the School District.

Technology

For several years, a dedicated group of teachers from all levels has not only devised a technology plan for the School District, and written and received many grants, but has also joined forces to train teachers in the mechanics of computer operation with progression to instruction in how to incorporate technology into instructional practices in the classroom at all levels and disciplines.

Parent and Community Involvement

Past projects of the School District could not have succeeded without strong parent and community interest and support. The School District is continually working to broaden and strengthen that support and participation.

Even Start

Even Start is a family literacy program that services families with children from birth to seven years old. Both the parent and the child must come to school. The parent works on his/her GED and parenting skills, while the child is experiencing preschool. This program is housed at Wilson school.

School Based Head Start

This program is a collaboration between public education and local community agencies. Children ages three to six receive preschool experiences and benefit from the school setting. This program is housed at Wilson school.

Preschool Handicapped Unit

This unit is sponsored through the South Central Ohio Educational Service Center and benefits the handicapped preschool child in a public education setting. This program is housed at Roosevelt school.

Ohio Reads

This grant supported staff development on the 4-Block literacy model.

Reading Excellence Act (REA)

This grant sponsored a two year before and after school tutorial reading program for second and third grade students reading below level.

21st Century After School Mall

This program is in place in all of the K-6 buildings and provides a safe and secure environment for students to work on homework, proficiency skills and other intervention and/or enrichment opportunities.

High Schools that Work

This program was added in an exploration stage. Grant monies and local monies were used to send educators to various workshops to explore this model for future implementation into the Portsmouth City School District.

The School District has long recognized the value of on-going, on-site staff development and continues to support and encourage professional staff development through all grade levels. The School District has increased its commitment over the last several years to provide its instructional staff with greater access to a variety of professional development opportunities. Many opportunities have been available through the South Regional Professional Development Center, the South Central Ohio Educational Service Center, and various workshops, conferences and college classes. Sessions on horizontal and vertical curriculum mapping, Competency Based Assessment, curriculum alignment, and test result analysis continue to be offered.

FINANCIAL INFORMATION

The School District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). Cash basis accounting records revenues when received and expenditures when paid. GAAP basis accounting on a modified accrual basis records revenue sources when they are considered to be both measurable and available and expenditures are generally recognized when incurred, if measurable. On the accrual basis, revenue resulting from exchange transactions is recorded when the exchange takes place and revenue from nonexchange transactions is recognized in either the fiscal year for which taxes are levied or, for grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been satisfied. Expenses are recognized at the time they are incurred.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control environment designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control environment is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation, and (2) the valuation of cost and benefits requires estimates and judgments by management.

The School District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of reach voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

Federal and State Assistance

As a recipient of federal and state financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School District maintains an encumbrance accounting system as a technique for accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year end are carried forward to succeeding years and are not re-appropriated.

Financial Condition

The School District has prepared financial statements following GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments.” GASB 34 creates new basic financial statements for reporting on the School District’s financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are business-type. The School District reports no business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present both the original and final legally adopted budgets as well as comparisons of actual information to the final legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the School District finances for 2002.

CASH MANAGEMENT

The School District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, repurchase agreements, and the State Treasury Assets Reserve of Ohio (STAR Ohio). The amount of interest income earned in fiscal year 2002 by the governmental funds of the School District was \$292,402. A more detailed description of the School District's investment functions are described in Note 6 to the financial statements.

RISK MANAGEMENT

The School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for this coverage is \$5,000 per loss incurred.

The School District also participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) and the Ohio School Plan, insurance purchasing pools (Note 19).

FISCAL CAUTION

On April 19, 2001, the Auditor of State certified an operating deficit in the amount of \$826,000 in the general fund for the fiscal year ended June 30, 2001, for the Portsmouth City School District. The Auditor of State determined that there was a deficit between two percent and eight percent, but that no declaration of fiscal watch or fiscal emergency would occur. As a result, under ORC 3316.031 (B)(3), the State Superintendent of Public Instruction placed the School District under fiscal caution. Therefore, the Auditor of State initiated a performance audit that began in June 2001 and was conducted primarily during the months of August through December 2001. The performance audit contained recommendations that provided cost savings, revenue enhancements and/or efficiency improvements. It should be noted that the School District restricted expenditures and its general fund did not end the 2002 fiscal year in a deficit.

In addition, as a result of being placed in fiscal caution, the School District also receives, on a monthly basis, State management assistance through the Ohio Department of Education, Area 5 Coordinator's Office. This assistance provides reviews of the School District's finances and suggestions are offered to improve the School District's financial condition.

OTHER INFORMATION

INDEPENDENT AUDIT

The School District had an independent audit performed by the Ohio Auditor of State for the fiscal year ended June 30, 2002. The opinion of the Ohio Auditor of State can be found at the beginning of the Financial Section of this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report is required to satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. It is the School District's belief that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO CERTIFICATE

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Portsmouth City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001.

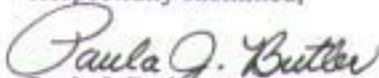
A Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

ACKNOWLEDGMENTS

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to the preparation of this report. Appreciation is expressed to the Treasurer's staff: Karen Walker, Cathi Evans, and Rissa Cotton. A special thank you is also extended to the Auditor of State's Local Government Services Division for all of their efforts and contributions in the preparation of this Comprehensive Annual Financial Report.

Finally, the support and commitment to excellence by the Portsmouth City Board of Education was vital to the successful preparation and issuance of this report.

Respectfully submitted,


Paula J. Butler
Treasurer


Wyonna J. Broughton
Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Portsmouth City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Voth
President

Jeffrey R. Enow
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PORTSMOUTH CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2001

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Clark J. Schell
President

David A. Roth
Interim Executive Director

Portsmouth City School District

*List of Principal Officials
June 30, 2002*

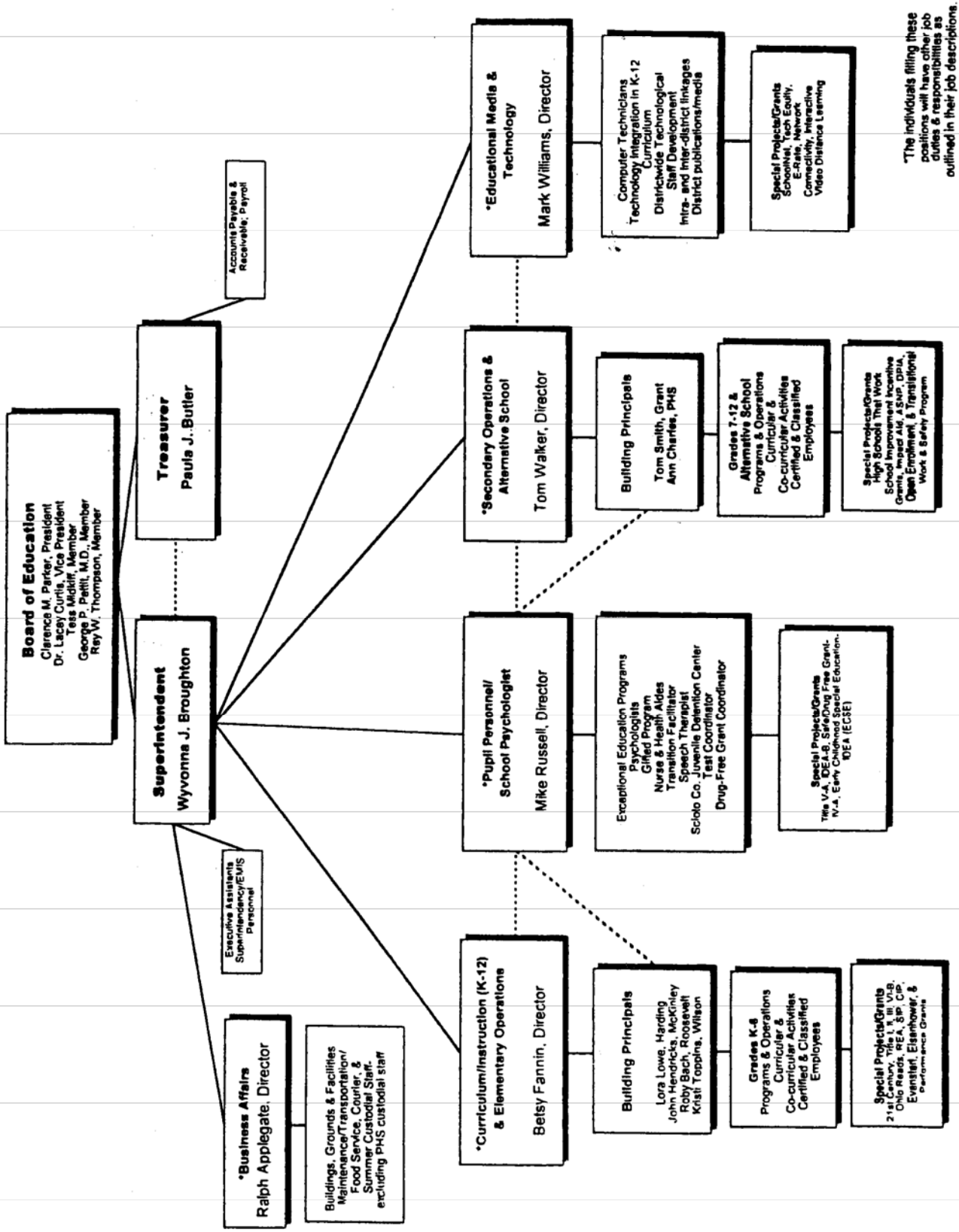
ELECTED OFFICIALS

President, Board of Education Mr. Clarence M. Parker
Vice President, Board of Education..... Dr. Lacey Curtis
Board Member Mrs. Teresa Midkiff
Board Member Dr. George P. Pettit
Board MemberMr. Ray Thompson

ADMINISTRATIVE OFFICIALS

SuperintendentWyvonna J. Broughton
TreasurerPaula J. Butler
Director of Business Affairs Ralph Applegate
Coordinator of State and Federal Funds John Hendricks
Director of Elementary Operations & Curriculum/Instruction Elizabeth Fannin
Director of Secondary Operations & Alternative SchoolThomas Walker
Director of Educational Media/TechnologyMark Williams
Director of Special Ed /School Psychologist..... Michael Russell
Gifted Coordinator / Curriculum Rebecca Davis
Safe Drug Free Coordinator..... Helen Wells

2002-2003 Portsmouth City School District Organization Chart



The individuals filling these positions will have other job duties & responsibilities as outlined in their job descriptions.

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FINANCIAL SECTION

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**Auditor of State
Betty Montgomery**

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INDEPENDENT ACCOUNTANTS' REPORT

Portsmouth City School District
Scioto County
1149 Gallia Street
Portsmouth, Ohio 45662

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Portsmouth City School District, Scioto County, Ohio (the School District) as of and for the year ended June 30, 2002, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Portsmouth City School District, Scioto County, as of June 30, 2002, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 24, the School District is experiencing certain negative financial conditions. Note 24 discloses those conditions and management's intended plans.

As described in Note 3, during the year ended June 30, 2002, the School District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. Also, as mentioned in Note 3, during the year ended June 30, 2002, the School District adopted GASB Statements 37 and 38, and Interpretation 6.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2003, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 6, 2003

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The discussion and analysis of the Portsmouth City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, financial statements, and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the School Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Financial Highlights

- ❑ Net assets of governmental activities increased \$54,874,329 which represents a significant increase from 2001. This is due primarily from the classroom facilities grant that is being received.
- ❑ General revenues accounted for \$74,520,348 or 92 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$6,226,272 or 8 percent of total revenues of \$80,746,620
- ❑ Total assets of governmental activities increased by \$73,241,723. Capital assets increased by \$67,636 due to the addition of land for the new buildings. Cash increased \$18,866,397 due to the receipt of bond proceeds while receivables and other assets increased by \$54,307,690 due primarily to the classroom facilities project.
- ❑ The School District had \$25,872,291 in expenses related to governmental activities; only \$6,226,272 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily grants and entitlements and property taxes) of \$74,520,348 were more than sufficient to provide for the remaining cost of these programs.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Portsmouth City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and the *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other non-major funds presented in total in one column. The major funds for the Portsmouth City School District are the General Fund and the Site Acquisition and Ohio School Facilities Commission capital projects funds.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during 2002?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, the School District has only one kind of activity:

- Government Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, extracurricular activities, and food service.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds – The School District's only fiduciary fund is an agency fund. All of the School District's fiduciary assets are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Table 1 provides a summary of the School District's net assets for fiscal year 2001 and fiscal year 2002:

(Table 1)
Net Assets
 Governmental Activities

	2002	2001
Assets		
Current and Other Assets	\$81,589,947	\$8,415,860
Capital Assets	6,532,638	6,465,002
Total Assets	88,122,585	14,880,862
Liabilities		
Long-Term Liabilities	(19,077,007)	(1,596,925)
Other Liabilities	(7,278,381)	(6,391,069)
Total Liabilities	(26,355,388)	(7,987,994)
Net Assets		
Invested in Capital Assets, Net of Related Debt	5,554,609	6,025,678
Restricted	55,492,747	1,711,851
Unrestricted (Deficit)	719,841	(844,661)
Total Net Assets	\$61,767,197	\$6,892,868

Total assets increased \$73,241,723. Equity in pooled cash and cash equivalents increased \$18,866,397 due mainly to the receipt of bond proceeds. Intergovernmental Receivables increased \$52,728,136 due to classroom facilities grant for the construction of new facilities. Capital Assets increased by \$67,636 due primarily to the purchase of land for the Ohio School Facilities Project.

Table 2 shows the changes in net assets for fiscal year 2002. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2001 are not available. In future years, a comparative analysis of government-wide data will be presented.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

(Table 2)
Change in Net Assets
 Governmental Activities

	2002
Revenues	
Program Revenues:	
Charges for Services	\$671,179
Operating Grants and Contributions	5,365,348
Capital Grants and Contributions	189,745
Total Program Revenues	6,226,272
General Revenues:	
Property Taxes	5,489,946
Grants and Entitlements not Restricted to Specific Programs	
Operating	14,222,706
Capital	52,617,286
Contributions and Donations	15,159
Investment Earnings	446,786
Miscellaneous	1,728,465
Total General Revenues	74,520,348
Total Revenues	80,746,620
 Program Expenses	
Instruction	
Regular	10,262,658
Special	5,369,206
Vocational	421,922
Support Services	
Pupils	1,255,863
Instructional Staff	2,540,087
Board of Education	19,268
Administration	1,241,456
Fiscal	660,279
Business	128,797
Operation and Maintenance of Plant	1,425,756
Pupil Transportation	441,998
Central	28,857
Operation of Non-Instructional Services	1,276,862
Extracurricular Activities	251,505
Interest and Fiscal Charges	512,777
Intergovernmental	35,000
Total Expenses	25,872,291
Increase in Net Assets	\$54,874,329

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Grants and Entitlements not Restricted to Specific Programs made up 83 percent of the total revenue for governmental activities of the Portsmouth City School District for fiscal year 2002. Property Tax revenue made up 7 percent of the total revenue for governmental activities for a total of 90 percent of all revenue coming from property taxes and grants and entitlements not Restricted to Specific Programs.

Regular instruction makes up 40 percent of governmental program expenses. Support services expenses make up 30 percent of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants, including interest, offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, the net cost of these services are supported by tax revenue and unrestricted State entitlements. Comparisons to 2001 have not been made since they are not available.

(Table 3)
Governmental Activities

	Total Cost of Services 2002	Net Cost of Services 2002
Instruction	\$16,053,786	\$12,641,820
Support Services	7,742,361	6,230,641
Operation of Non- Instructional Services	1,276,862	101,715
Extracurricular Activities	251,505	159,066
Interest and Fiscal Charges	512,777	512,777
Intergovernmental	35,000	0
Total Expenses	\$25,872,291	\$19,646,019

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$27,926,190 and expenditures of \$26,483,051. The net change in fund balance for the year was most significant in the Ohio School Facilities Commission and Site Acquisition capital projects funds with increases of \$11,952,657 and \$4,917,780, respectively. This is due to these funds receiving the proceeds from the sale of General Obligation Bonds to provide for the local share of the Ohio School Facilities Commission Project.

The fund balance of the General Fund increased by \$1,589,378. This increase was primarily due to the District receiving \$1.5 million from the sale of Anthem stock that was a result of the demutualization of Anthem. This is a one-time receipt of revenue.

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2002 the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

For the general fund, budget basis revenue was \$18,642,133 with original budget estimates of \$16,229,348. The difference of \$2,412,785 was due primarily to the District receiving \$1.5 million as a result of Anthem Demutualization and an increase in the Unrestricted Grants in Aid. Budget basis expenditures were \$17,597,875 with original budget estimates of \$17,091,710. The difference of \$506,165 was due primarily to \$.5 million being awarded to School District employees from the \$1.5 million received from Anthem.

The School District's ending unobligated cash balance was \$120,264 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2002 the School District had \$6,532,638 invested in land, land improvements, buildings, equipment, vehicles, textbooks, and construction in progress. Table 4 shows fiscal year 2002 balances compared to 2001:

(Table 4)
Capital Assets at June 30
(Net of Depreciation)
 Governmental Activities

	2002	2001
Land	\$1,685,380	\$1,191,840
Land Improvements	\$8,753	\$10,672
Buildings and Improvements	1,422,554	1,717,630
Furniture and Equipment	1,779,536	2,059,640
Vehicles	236,181	271,199
Textbooks	1,169,042	1,214,021
Construction in Progress	231,192	0
Totals	\$6,532,638	\$6,465,002

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

The primary increase occurred in land and construction in progress. This is due to acquisition of land and the start of construction of new educational facilities. (see Note 9 in the Notes to the Basic Financial Statements).

Debt

At June 30, 2002 the School District had a \$78,558 EPA Asbestos loan outstanding, in which \$14,284 is due within one year and \$17,086,465 in bonds outstanding, \$645,000 due within one year. The School District also had an outstanding premium on the debt issue of \$446,844 and capital lease obligations outstanding of \$282,704, of which \$87,699 is due with one year. Table 5 summarizes the bonds outstanding:

(Table 5)
Outstanding Debt, at Year End
 Governmental Activities

	2002	2001
1988 EPA Asbestos Loan	\$78,558	\$92,842
2002 Classroom Facilities Bonds	17,086,465	0
Premium on Debt Issue	446,844	0
Capital Lease	282,704	346,482
Totals	\$17,894,571	\$439,324

On December 14, 1988, Portsmouth City School District obtained a loan in the amount of \$257,106 for the purpose of providing asbestos removal. The loan was issued for a twenty year period with final maturity during fiscal year 2008.

On April 30, 2002, the School District issued a total of \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. Of the total, \$3,220,000 were term bonds, \$13,305,000 were serial bonds, and \$545,000 were capital appreciation bonds. The bonds were issued for a twenty-three year period with final maturity in December 2024.

The School District has entered into capitalized leases for a vehicle and equipment.

The School District's overall legal debt margin was \$3,447,519 with an unvoted debt margin of \$143,085 at June 30, 2002. (see Note 16 in the Notes to the Basic Financial Statements).

Portsmouth City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2002
Unaudited

Current Issues

The Portsmouth City School District consists of four elementary buildings, one middle school building, and one high school building. Our buildings were established in 1912 - 1930 and are in need of major renovation. Thus, as part of the Ohio School Facilities Commission (OSFC) Classroom Assistance Program, the District was provided with approximately \$52.6 million for construction of one K-6 building in Sciotoville, and one 7-8 and 9-12 combination building with shared resources and one PK-3 and 4-6 combination building with shared resources in the downtown Portsmouth area.

On November 6, 2001, the voters of the Portsmouth City School District passed a \$17 million bond levy for its matching portion of the construction costs, which are estimated to total \$64.1 million. A portion (.5 mill) of the bond levy is designated for maintenance of the new facilities.

On March 1, 2002 the School District received approximately \$1.5 million in proceeds from the sale of Anthem stock. The stock was received as a result of the demutualization of Anthem. Of the \$1.5 million in proceeds, approximately \$.5 million was awarded to the employees of the School District who met the guidelines established by the District's Insurance Committee. The committee was made up of individuals appointed by the AFSCME Local 2684 union president and the Portsmouth City Teachers Association (PCTA). Each payment was then based on the number of full-time years of service each eligible employee held in the School District with a cap of thirty (30) years.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Paula J. Butler, Treasurer, at Portsmouth City School District, 1149 Gallia Street, Portsmouth, Ohio 45662, or e-mail at butlerp@portsmouth.k12.oh.us.

Portsmouth City School District
Statement of Net Assets
June 30, 2002

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$21,473,310
Materials and Supplies Inventory	48,706
Accrued Interest Receivable	154,886
Accounts Receivable	235
Intergovernmental Receivable	53,750,205
Prepaid Items	41,545
Taxes Receivable	5,866,865
Deferred Charges	254,195
Capital Assets:	
Land and Construction in Progress	1,916,572
Depreciable Capital Assets, Net	4,616,066
<i>Total Assets</i>	88,122,585
<u>Liabilities:</u>	
Accounts Payable	65,753
Contracts Payable	84,167
Accrued Wages and Benefits Payable	1,790,315
Intergovernmental Payable	532,687
Accrued Interest Payable	85,350
Matured Compensated Absences Payable	59,010
Deferred Revenue	4,661,099
Long-Term Liabilities:	
Due Within One Year	936,462
Due Within More Than One Year	18,140,545
<i>Total Liabilities</i>	26,355,388
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	5,554,609
Restricted for:	
Debt Service	762,017
Capital Projects	52,282,438
Other Purposes	1,905,825
Set Asides	542,467
Unrestricted	719,841
<i>Total Net Assets</i>	\$61,767,197

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$10,262,658	\$44,737	\$1,187,201	\$111,566	(\$8,919,154)
Special	5,369,206	315,901	1,752,561	0	(3,300,744)
Vocational	421,922	0	0	0	(421,922)
Support Services:					
Pupil	1,255,863	0	438,683	0	(817,180)
Instructional Staff	2,540,087	0	864,423	7,907	(1,667,757)
Board of Education	19,268	0	0	0	(19,268)
Administration	1,241,456	0	5,138	0	(1,236,318)
Fiscal	660,279	0	0	0	(660,279)
Business	128,797	0	0	0	(128,797)
Operation and Maintenance of Plant	1,425,756	0	22,235	0	(1,403,521)
Pupil Transportation	441,998	1,676	92,949	70,272	(277,101)
Central	28,857	0	8,437	0	(20,420)
Operation of Non-Instructional Services:					
Food Services	1,031,547	216,926	720,499	0	(94,122)
Other	245,315	0	237,722	0	(7,593)
Extracurricular Activities	251,505	91,939	500	0	(159,066)
Interest and Fiscal Charges	512,777	0	0	0	(512,777)
Intergovernmental	35,000	0	35,000	0	0
Total Governmental Activities	\$25,872,291	\$671,179	\$5,365,348	\$189,745	(19,646,019)
General Revenues					
Property Taxes Levied for General Purposes					5,489,946
Grants and Entitlements not Restricted to Specific Programs:					
Operating					14,222,706
Capital					52,617,286
Contributions and Donations					15,159
Investment Earnings					446,786
Miscellaneous					1,728,465
Total General Revenues					74,520,348
Change in Net Assets					54,874,329
Net Assets Beginning of Year - See Note 3					6,892,868
Net Assets End of Year					\$61,767,197

See accompanying notes to the basic financial statements

Portsmouth City School District
Balance Sheet
Governmental Funds
June 30, 2002

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,472,451	\$4,924,114	\$11,915,616	\$2,495,858	\$20,808,039
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	665,271	0	0	0	665,271
Receivables:					
Taxes	4,603,753	0	0	1,263,112	5,866,865
Accounts	235	0	0	0	235
Intergovernmental	102,559	0	52,211,875	1,435,771	53,750,205
Accrued Interest	0	0	154,886	0	154,886
Interfund	67,760	0	0	0	67,760
Prepaid Items	41,339	0	0	206	41,545
Materials and Supplies Inventory	22,000	0	0	26,706	48,706
<i>Total Assets</i>	<u>\$6,975,368</u>	<u>\$4,924,114</u>	<u>\$64,282,377</u>	<u>\$5,221,653</u>	<u>\$81,403,512</u>
<u>Liabilities:</u>					
Accounts Payable	\$26,484	\$6,334	\$0	\$32,935	\$65,753
Contracts Payable	0	0	84,167	0	84,167
Accrued Wages and Benefits Payable	1,190,944	0	0	599,371	1,790,315
Intergovernmental Payable	285,765	0	0	114,430	400,195
Interfund Payable	0	0	0	67,760	67,760
Matured Compensated Absences Payable	34,567	0	0	24,443	59,010
Deferred Revenue	4,140,578	0	52,256,706	2,382,043	58,779,327
<i>Total Liabilities</i>	<u>5,678,338</u>	<u>6,334</u>	<u>52,340,873</u>	<u>3,220,982</u>	<u>61,246,527</u>
<u>Fund Balances:</u>					
Reserved for Encumbrances	55,544	0	0	137,334	192,878
Reserved for Property Taxes	471,201	0	0	151,077	622,278
Reserved for Textbooks and Instructional Materials	322,268	0	0	0	322,268
Reserved for Capital Improvements	220,199	0	0	0	220,199
Reserved for Bus Purchases	122,804	0	0	0	122,804
Unreserved, Undesignated, Reported in:					
General Fund	105,014	0	0	0	105,014
Special Revenue Funds	0	0	0	803,651	803,651
Debt Service Fund	0	0	0	507,497	507,497
Capital Projects Funds	0	4,917,780	11,941,504	401,112	17,260,396
<i>Total Fund Balances</i>	<u>1,297,030</u>	<u>4,917,780</u>	<u>11,941,504</u>	<u>2,000,671</u>	<u>20,156,985</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,975,368</u>	<u>\$4,924,114</u>	<u>\$64,282,377</u>	<u>\$5,221,653</u>	<u>\$81,403,512</u>

See accompanying notes to the basic financial statements

Portsmouth City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2002*

Total Governmental Fund Balances \$20,156,985

***Amounts reported for governmental activities in the
 statement of net assets are different because:***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	1,685,380	
Construction in progress	231,192	
Other capital assets	12,055,191	
Accumulated depreciation	<u>(7,439,125)</u>	
Total capital assets		6,532,638

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Delinquent property taxes	583,488	
Intergovernmental	53,458,377	
Interest	76,238	
Accounts	<u>125</u>	
		54,118,228

Intergovernmental Payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. (132,492)

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis. 254,195

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(17,086,465)	
EPA Asbestos loan payable	(78,558)	
Bond Premium	(446,844)	
Accrued interest on bonds	(85,350)	
Capital leases	(282,704)	
Compensated absences	<u>(1,182,436)</u>	
Total liabilities		<u>(19,162,357)</u>

Net Assets of Governmental Activities \$61,767,197

See accompanying notes to the basic financial statements

Portsmouth City School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Site Acquisition	Ohio School Facilities Commission	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$4,584,140	\$0	\$0	\$781,358	\$5,365,498
Intergovernmental	12,240,992	0	446,740	7,035,760	19,723,492
Interest	90,514	52,539	107,845	41,504	292,402
Increase in Fair Value of Investments	0	0	82,856	0	82,856
Tuition and Fees	312,936	0	0	0	312,936
Extracurricular Activities	91,939	0	0	0	91,939
Rentals	39,801	0	0	0	39,801
Customer Sales and Service	1,676	0	0	216,926	218,602
Contributions and Donations	52,885	0	0	0	52,885
Miscellaneous	1,662,066	0	0	83,713	1,745,779
Total Revenues	19,076,949	52,539	637,441	8,159,261	27,926,190
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	8,715,864	0	0	1,073,592	9,789,456
Special	2,137,660	0	0	3,200,908	5,338,568
Vocational	400,072	0	0	0	400,072
Support Services:					
Pupils	785,019	0	0	464,176	1,249,195
Instructional Staff	1,359,751	0	0	1,128,497	2,488,248
Board of Education	16,832	0	0	2,302	19,134
Administration	1,069,878	0	0	143,380	1,213,258
Fiscal	643,496	0	0	31,857	675,353
Business	69,701	0	0	0	69,701
Operation and Maintenance of Plant	1,453,798	0	3,904	72,112	1,529,814
Pupil Transportation	379,247	0	0	67,638	446,885
Central	8,392	0	0	16,540	24,932
Operation of Non-Instructional Services					
Food Service Operations	58,293	0	0	953,714	1,012,007
Community Service	3,377	0	0	231,498	234,875
Extracurricular Activities	261,428	0	0	0	261,428
Capital Outlay	31,502	654,759	230,880	0	917,141
Debt Service:					
Principal Retirement	91,362	0	0	18,202	109,564
Interest and Fiscal Charges	26,814	3,568	187,583	194,405	412,370
Issuance Costs	0	0	0	256,050	256,050
Intergovernmental	0	0	0	35,000	35,000
Total Expenditures	17,512,486	658,327	422,367	7,889,871	26,483,051
Excess of Revenues Over (Under) Expenditures	1,564,463	(605,788)	215,074	269,390	1,443,139
<u>Other Financing Sources (Uses):</u>					
General Obligation Bonds Issued	0	5,500,000	11,570,000	0	17,070,000
Proceeds from Sale of Fixed Assets	7,697	0	0	279,000	286,697
Premium on Debt Issuance	0	0	0	450,106	450,106
Inception of Capital Lease	31,502	0	0	0	31,502
Transfers In	59,714	23,568	167,583	73,998	324,863
Transfers Out	(73,998)	0	0	(250,865)	(324,863)
Total Other Financing Sources (Uses)	24,915	5,523,568	11,737,583	552,239	17,838,305
Net Change in Fund Balances	1,589,378	4,917,780	11,952,657	821,629	19,281,444
Fund Balances (Deficit) Beginning of Year - Restated (Note 3)	(292,348)	0	(11,153)	1,179,042	875,541
Fund Balances End of Year	\$1,297,030	\$4,917,780	\$11,941,504	\$2,000,671	\$20,156,985

See accompanying notes to the basic financial statements

Portsmouth City School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2002*

Net Change in Fund Balances - Total Governmental Funds \$19,281,444

**Amounts reported for governmental activities in the
statement of activities are different because:**

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Fixed asset additions	1,136,740	
Construction in progress additions	231,192	
Depreciation expense	<u>(562,362)</u>	
Excess of capital outlay over depreciation expense		805,570

The proceeds from the sale of fixed assets are reported as revenue in the governmental funds. However, the cost of capital assets are removed from the capital asset account in the statement of net assets and offset against the proceeds from the sale of fixed assets resulting in a loss on the sale of fixed assets in the statement of activities.

Proceeds from the sale of fixed assets	(286,697)	
Loss on disposal of fixed assets	<u>(451,237)</u>	
		(737,934)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	124,448	
Intergovernmental	52,629,157	
Interest	76,238	
Tuition and Fees	2,965	
Rent	4,936	
Miscellaneous	<u>(17,314)</u>	
		52,820,430

Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

Proceeds of bonds	(17,070,000)	
Premium on bonds	<u>(446,844)</u>	
		(17,516,844)

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the statement of activities. 254,195

Some capital assets were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. (31,502)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Loan principal retirement	14,284	
Capital lease payments	<u>95,280</u>	
Total long-term debt repayment		109,564

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences payable	(24,836)	
Increase in accrued interest	(85,350)	
Decrease in intergovernmental payable	16,057	
Accretion on bonds	<u>(16,465)</u>	
Total (increase)/decrease		<u>(110,594)</u>

Change in Net Assets of Governmental Activities \$54,874,329

See accompanying notes to the basic financial statements

PORTSMOUTH CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$4,789,876	\$4,319,176	\$4,319,176	\$0
Intergovernmental	9,757,757	12,277,012	12,193,808	(83,204)
Interest	76,387	96,108	96,108	0
Tuition and Fees	185,178	232,987	232,987	0
Extracurricular Activities	73,071	91,939	91,939	0
Rentals	31,634	39,801	39,801	0
Contributions and Donations	42,033	52,885	52,885	0
Miscellaneous	1,273,412	1,606,376	1,615,429	9,053
<i>Total Revenues</i>	<u>16,229,348</u>	<u>18,716,284</u>	<u>18,642,133</u>	<u>(74,151)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,106,937	5,253,491	4,832,225	421,266
Special	1,926,399	2,112,890	2,094,181	18,709
Vocational	357,696	360,107	374,880	(14,773)
Other	3,301,212	3,301,212	3,987,444	(686,232)
Support Services:				
Pupils	900,467	918,796	802,184	116,612
Instructional Staff	1,309,323	1,372,735	1,339,431	33,304
Board of Education	37,919	36,976	16,855	20,121
Administration	1,206,220	1,256,781	1,202,816	53,965
Fiscal	648,328	670,989	644,240	26,749
Business	72,446	77,876	72,466	5,410
Operation and Maintenance of Plant	1,580,357	1,646,650	1,511,656	134,994
Pupil Transportation	412,828	413,612	379,650	33,962
Central	11,620	11,654	8,392	3,262
Operation of Non-Instructional Services	33,511	66,928	65,721	1,207
Extracurricular Activities	186,447	279,525	265,734	13,791
<i>Total Expenditures</i>	<u>17,091,710</u>	<u>17,780,222</u>	<u>17,597,875</u>	<u>182,347</u>
Excess of Revenues Over (Under) Expenditures	<u>(862,362)</u>	<u>936,062</u>	<u>1,044,258</u>	<u>108,196</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	0	7,697	7,697	0
Refund of Prior Year Expenditures	0	63,860	63,860	0
Transfers In	0	59,714	59,714	0
Transfers Out	(147,628)	(75,885)	(73,998)	1,887
Advances In	0	15,814	15,814	0
Advances Out	(50,000)	(45,836)	(35,616)	10,220
Refund of Prior Year Receipts	(39)	0	(39)	(39)
<i>Total Other Financing Sources (Uses)</i>	<u>(197,667)</u>	<u>25,364</u>	<u>37,432</u>	<u>12,068</u>
Net Change in Fund Balance	(1,060,029)	961,426	1,081,690	120,264
Fund Balance at Beginning of Year	772,849	772,849	772,849	0
Prior Year Encumbrances Appropriated	213,732	213,732	213,732	0
Fund Balance (Deficit) at End of Year	<u>(\$73,448)</u>	<u>\$1,948,007</u>	<u>\$2,068,271</u>	<u>\$120,264</u>

See accompanying notes to the basic financial statements.

Portsmouth City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2002

Assets:

Equity in Pooled Cash and Cash Equivalents \$11,380

Liabilities:

Undistributed Monies \$11,380

See accompanying notes to the basic financial statements

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Portsmouth City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District serves an area of approximately 20 square miles. It is located in Scioto County and includes portions of Porter and Vernon Townships. It is staffed by 98 non-certificated employees, 181 certificated full-time teaching personnel and 16 administrative employees who provide services to 2,257 students and other community members. The School District currently operates six buildings.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Portsmouth City School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District does not have any component units.

The following entities which perform activities within the District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District:

- * Boosters Clubs
- * Alumni Associations
- * Parent - Teacher Organizations
- * City of Portsmouth

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

The following activities are included within the reporting entity:

Parochial Schools - Within the School District boundaries, Notre Dame Elementary, Notre Dame High School, and Harvest Christian Academy are operated as private schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a nonmajor special revenue fund for financial reporting purposes.

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the South Central Ohio Computer Association (SCOCA), the Scioto County Joint Vocational School, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Portsmouth City School District have been prepared in conformity with generally accepted account principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements ordinarily distinguish between activities that are governmental and those that are considered business-type, however, the School District has no activities that are classified as business-type.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. All funds of the School District fall within two categories, governmental and fiduciary.

Governmental Funds:

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Site Acquisition Fund – To account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Ohio School Facilities Commission Fund – To account for monies received and expended in connection with contracts entered into by the School District and the Ohio Department of Education for the building and equipping of classroom facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has one fiduciary fund, an agency fund, used to account for student activity programs.

C. Measurement Focus

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and fiduciary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available for advance, tuition and fees, certain grants, and accrued interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2002, the School District's investments were limited to Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Bank Bonds, Federal National Mortgage Association Bonds, repurchase agreements, and the State Treasury Assets Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$90,514, which includes \$78,326 from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are reported on the financial statements as cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent unexpended revenues restricted for the purchase of buses and cash and cash equivalents legally required to be set-aside by the School District for the purchase of textbooks and instructional materials, and for the acquisition or construction of capital assets. See Note 20 for additional information regarding set-asides.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventory consists of expendable supplies held for consumption.

H. Capital Assets

All capital assets of the School District are general capital assets associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 - 10 years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	10 years
Textbooks	3 - 6 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "Interfund Receivables" and "Interfund Payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The liability is an estimate based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees will be paid.

K. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Loans, bonds, and capital leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

L. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, property taxes, textbooks and instructional materials, capital improvements, and bus purchases.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute for fiscal year 2002.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

O. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

P. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

R. Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds

Bond premiums and issuance costs are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as a reduction/addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2002 the School District has implemented GASB Statement No. 34, “*Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*,” GASB Statement No. 37, “*Basic Financial Statements for State and Local Governments: Omnibus*”, GASB Statement No. 38, “*Certain Financial Statement Note Disclosures*” and GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.”

GASB 34 creates new basic financial statements for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

GASB Interpretation 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The School District restated the fund liability for compensated absences that were not mature as of June 30, 2001.

The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2001, caused by the conversion to the accrual basis of accounting.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES (continued)

The implementation of these Statements and the correction of prior year errors had the following effect on the fund balances of major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Ohio School Classroom Facilities	Nonmajor	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances (Deficit), June 30, 2001	(\$311,286)	(\$11,153)	\$893,587	\$571,148
Interpretation No. 6 Adjustment	18,938	0	50,062	69,000
Fund Reclassification	<u>0</u>	<u>0</u>	<u>235,393</u>	<u>235,393</u>
Adjusted Fund Balances (Deficit), June 30, 2001	<u>(\$292,348)</u>	<u>(\$11,153)</u>	<u>\$1,179,042</u>	875,541
GASB 34 Adjustments:				
Deferred Assets:				
Accounts Receivable				17,439
Intergovernmental Receivables				821,320
Delinquent Property Taxes				459,040
Capital Assets				6,465,002
Intergovernmental Payables				(148,549)
Long Term Liabilities:				
Asbestos Loan Payable				(92,842)
Compensated Absences Payable				(1,157,601)
Capital Leases Payable				<u>(346,482)</u>
Governmental Activities Net Assets, June 30, 2001				<u>\$6,892,868</u>

	<u>Food Service Enterprise Fund</u>
Fund Equity, June 30, 2001	\$321,301
Reclassification of Fund	<u>(321,301)</u>
Restated June 30, 2001	<u>\$0</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 4 - COMPLIANCE

The following funds had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 30, 2002.

<u>Fund / Line Item</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund	\$17,215,929	\$17,289,377	(\$73,448)
Special Revenue Funds:			
Jobs and Family Services	60,289	71,317	(11,028)
Disadvantage Pupil			
Impact Aid	2,422,668	2,422,826	(158)
Textbook Subsidy	117,357	118,330	(973)
OhioReads	7,247	22,245	(14,998)
Miscellaneous			
State Grants	162,925	277,008	(114,083)
Dwight D. Eisenhower	27,696	57,071	(29,375)
Title VI-B	320,024	320,429	(405)
Drug Free Schools	28,025	37,071	(9,046)
E-Rate Funding	42,770	116,648	(73,878)
Miscellaneous			
Federal Grants	1,394,930	1,407,473	(12,543)
Debt Service Fund	377,804	17,276,302	(16,898,498)
Capital Projects Fund:			
Interactive Video			
Distance Learning	6,500	65,000	(58,500)

The School District will monitor budgetary controls more closely and ensure that documents are filed with the County Auditor in a timely manner in the future to alleviate such compliance issues.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 4 – COMPLIANCE (continued)

The following funds had expenditures plus encumbrances in excess of appropriations for the fiscal year ended June 30, 2002.

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
Special Revenue:			
Education Management			
Information System	\$16,325	\$16,751	(\$426)
OhioReads	52,245	56,156	(3,911)
Title VI	29,653	29,667	(14)
Drug Free Schools	37,197	40,760	(3,563)
Title VI-R	217,109	218,743	(1,634)

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the general fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$1,589,378
Adjustments:	
Revenue Accruals	(402,458)
Expenditure Accruals	(15,977)
Advances	(19,802)
Encumbrances	(69,451)
Budget Basis	<u><u>\$1,081,690</u></u>

NOTE 6 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings accounts, including passbook accounts.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the School District had \$400 in undeposited cash on hand.

The following information classifies deposits and investments by categories of risk as defined in *GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements"*.

Deposits: At fiscal year-end, the carrying amount of the School District's deposits was \$1,016,014 and the bank balance was \$1,140,227. Of the bank balance, \$100,000 was covered by federal depository insurance and \$1,040,227 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

	<u>Category 2</u>	<u>Unclassified</u>	<u>Carrying / Fair Value</u>
U.S. Government Securities:			
Federal Home Loan Mortgage Corporation Bonds	\$3,533,505	\$0	\$3,533,505
Federal Home Loan Bank Bonds	2,002,500	0	2,002,500
Federal National Mortgage Association Bonds	5,544,230	0	5,544,230
Repurchase Agreements	778,000	0	778,000
STAR Ohio	0	8,610,041	8,610,041
Total Investments	<u>\$11,858,235</u>	<u>\$8,610,041</u>	<u>\$20,468,276</u>

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in *GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."*

A reconciliation between the classifications of cash and cash equivalents and investments on the basic financial statements and the classification of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	<u>Cash and Cash Equivalents / Deposits</u>	<u>Investments</u>
<i>GASB Statements No. 9</i>	\$21,484,690	\$0
Cash on Hand	(400)	
Investments:		
Federal Home Loan Mortgage Corporation Bonds	(3,533,505)	3,533,505
Federal Home Loan Bank Bonds	(2,002,500)	2,002,500
Federal National Mortgage Association Bonds	(5,544,230)	5,544,230
Repurchase Agreements	(778,000)	778,000
STAR Ohio	(8,610,041)	8,610,041
<i>GASB Statements No. 3</i>	<u>\$1,016,014</u>	<u>\$20,468,276</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2002 real property taxes are collected in and intended to finance fiscal year 2003.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after April 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2002 tangible personal property tax settlement was not received until July 2002.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 7 - PROPERTY TAXES (continued)

The assessed values upon which fiscal year 2002 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$157,450,420	78.09%	\$180,207,160	81.31%
Public Utility	20,616,890	10.22%	15,320,670	6.91%
Tangible Personal Property	23,567,270	11.69%	26,114,910	11.78%
Total Assessed Value	<u>\$201,634,580</u>	<u>100.00%</u>	<u>\$221,642,740</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$34.53		\$41.03	

The School District receives property taxes from Scioto County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June was levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2002, was \$471,201 in the General Fund and \$151,077 in other nonmajor governmental funds.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis, the revenue is deferred.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 8 - RECEIVABLES

Receivables at June 30, 2002, consisted of property taxes, accounts, intergovernmental grants, accrued interest, and interfund. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Excess Cost Reimbursements	\$102,559
Ohio School Facilities Commission	52,211,875
Dwight D. Eisenhower	1,835
Title VI-B	13,990
Title I	384,329
Title VI	23,125
Drug Free Schools	14,563
Title VI-R	10,611
Miscellaneous Federal Grants	987,318
Total Intergovernmental Receivables	<u>\$53,750,205</u>

The School District was awarded a grant in the amount of \$52,617,285 on December 14, 2001 from the Ohio School Facilities Commission for the construction of new facilities.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Restated Balance at 6/30/01	Additions	Deductions	Balance at 6/30/02
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	\$1,191,840	\$581,210	\$87,670	\$1,685,380
Construction in Progress	0	231,192	0	231,192
Total Capital Assets Not Being Depreciated	<u>1,191,840</u>	<u>812,402</u>	<u>87,670</u>	<u>1,916,572</u>
Capital Assets Being Depreciated:				
Land Improvements	95,693	0	19,193	76,500
Buildings and Improvements	6,237,703	39,075	1,166,488	5,110,290
Furniture and Equipment	5,269,353	323,109	1,302,765	4,289,697
Vehicles	737,967	24,963	176,440	586,490
Textbooks	2,079,704	168,383	255,873	1,992,214
Totals at Historical Cost	<u>14,420,420</u>	<u>555,530</u>	<u>2,920,759</u>	<u>12,055,191</u>
Less Accumulated Depreciation:				
Land Improvements	(85,021)	0	(17,274)	(67,747)
Building and Improvements	(4,520,073)	(51,324)	(883,661)	(3,687,736)
Furniture and Equipment	(3,209,713)	(350,189)	(1,049,741)	(2,510,161)
Vehicles	(466,768)	(36,599)	(153,058)	(350,309)
Textbooks	(865,683)	(124,250)	(166,761)	(823,172)
Total Accumulated Depreciation	<u>(9,147,258)</u>	<u>(562,362) *</u>	<u>(2,270,495)</u>	<u>(7,439,125)</u>
Total Capital Assets Being Depreciated, Net	<u>5,273,162</u>	<u>(6,832)</u>	<u>650,264</u>	<u>4,616,066</u>
Governmental Activities				
Capital Assets, Net	<u>\$6,465,002</u>	<u>\$805,570</u>	<u>\$737,934</u>	<u>\$6,532,638</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 9 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$286,112
Special	25,123
Vocational	24,680
Support Services:	
Pupils	6,859
Instructional Staff	68,036
Administration	80,547
Fiscal	3,558
Business	17,174
Operation and Maintenance of Plant	11,259
Pupil Transportation	20,235
Central	4,407
Operation of Non-Instructional Services	8,510
Extracurricular Activities	5,862
Total Depreciation Expense	<u><u>\$562,362</u></u>

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the School District contracted with Harcum-Hyre for property and inland marine coverage. Coverage provided by Harcum-Hyre is as follows:

Building and Contents (including Boiler and Machinery) – replacement cost (\$5,000 deductible)	\$51,493,197
Inland Marine Coverage (\$250 - \$500 deductible)	972,600

During fiscal year 2002, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The District pays this annual premium to the OSP. (See Note 19)

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 10 - RISK MANAGEMENT (continued)

The types and amounts of coverage provided by the Ohio School Plan during fiscal year 2002 are as follows:

Auto Liability:

Liability - Any Auto	\$1,000,000
Medical Payments	5,000
Uninsured/Underinsured Motorists Coverage	50,000
Comprehensive - Bus (\$1,000 deductible)	Actual Cash Value
Comprehensive - All Other (\$250 deductible)	Actual Cash Value
Collision - Bus (\$1,000 deductible)	Actual Cash Value
Collision - All Other (\$500 deductible)	Actual Cash Value
Hired Car Physical Damage	50,000
Comprehensive (\$250 deductible)	Actual Cash Value
Collision (\$500 deductible)	Actual Cash Value

Excess Auto Liability:

Auto Liability Limit - each accident	1,000,000
Auto Liability Policy Aggregate	1,000,000
Auto Liability - Each Accident Limit	1,000,000

General Liability:

Bodily Injury and Property Damage - Each Occurrence Limit and Sexual Abuse Injury - Each Sexual Abuse Offense Limit	1,000,000
Personal and Advertising Injury - Each Offense Limit	1,000,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Medical Expense - Each Accident Limit	10,000
General Aggregate Limit	3,000,000
Products - Completed Operations Limit	1,000,000

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 10 - RISK MANAGEMENT (continued)

Employer's Liability and Stop Gap Endorsement:	
Bodily Injury by Accident - Each Accident Limit	1,000,000
Bodily Injury by Disease - Endorsement Limit	1,000,000
Bodily Injury by Disease - Each Employee Limit	1,000,000
Employee Benefits Liability Claims:	
Per Claim	1,000,000
Aggregate Limit	3,000,000
Educational Legal Liability Coverage:	
Errors and Omissions Injury Limit (\$5,000 deductible)	1,000,000
Errors and Omissions Injury Aggregate Limit	2,000,000
Employment Practices Injury Limit (\$5,000 deductible)	1,000,000
Employment Practices Injury Aggregate Limit	2,000,000
Defense Costs Cap (\$5,000 deductible)	1,000,000
Defense Costs Aggregate Cap	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been a significant decrease in fleet and liability insurance coverage from last year due to the School District's enrollment in the Ohio School Plan which has more limited coverage.

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$146,840, \$95,675, and \$112,815, respectively; 55 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$65,857 represents the unpaid contribution for fiscal year 2002.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$875,695, \$972,111, and \$603,613, respectively; 83 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$149,956 represents the unpaid contribution for fiscal year 2002.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$414,803 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 12 - POSTEMPLOYMENT BENEFITS (continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$249,590.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 204 days for teachers and 200 days for classified employees. Administrators can accumulate a maximum of the number of contract days plus 15. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 51 days for teachers and 50 days for classified employees and one-fourth of accrued, but unused sick leave for administrators.

B. Insurance

The School District provides medical insurance to its employees through Anthem Blue Cross and Blue Shield. Certified employees are provided with life insurance through Anthem Life and with dental and vision benefits through Medical Benefits. Classified employees are provided medical insurance through Anthem Blue Cross and Blue Shield and all other benefits are provided by the Health Care Plan of AFSCME Local 2684.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 13 - EMPLOYEE BENEFITS (continued)

C. Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2002 and in prior years, the School District has entered into capitalized leases for a vehicle and equipment. All leases meet the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases,"* which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease were initially capitalized in the statement of net assets for governmental activities in the amount of \$436,225 which is equal to the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets for governmental activities. Principal payments in fiscal year 2002 totaled \$95,280.

The assets acquired through capital leases as of June 30, 2002, are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Asset:			
Copier Equipment	\$414,476	\$84,083	\$330,393
Food Service Truck	21,749	6,826	14,923
Totals	<u>\$436,225</u>	<u>\$90,909</u>	<u>\$345,316</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE (continued)

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2002.

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2003	\$107,385
2004	105,252
2005	92,204
2006	14,984
Total	319,825
Less: Amount Representing Interest	(37,121)
Present Value of Net Minimum Lease Payments	<u>\$282,704</u>

NOTE 15 - FUND OBLIGATIONS

A summary of note transactions for the year ended June 30, 2002 follows:

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>
Classroom Facilities				
Bond Anticipation				
Notes	\$0	\$17,070,000	\$17,070,000	\$0

On December 17, 2001, the School District issued \$7,500,000 Series 2001 Notes which provided \$5,000,000 to the Site Acquisition Fund and \$2,500,000 to the Ohio School Classroom Facilities Fund. The interest rate was 3.375%.

On January 15, 2002, the School District issued \$9,570,000 Series 2002 Notes which provided \$520,000 to the Site Acquisition Fund and \$9,050,000 to the Ohio School Classroom Facilities Fund. The interest rate was 2.00%.

The notes were issued in the anticipation of the Classroom Facilities General Obligation Bonds for the purpose of constructing new educational facilities. The notes were retired with Classroom Facilities Bonds proceeds.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 16 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during the fiscal year 2002 were as follows:

	<u>Principal Outstanding 6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/02</u>	<u>Amounts Due in One Year</u>
<u>Governmental Activities:</u>					
1988 EPA Asbestos					
Loan 0.00%	\$92,842	\$0	\$14,284	\$78,558	\$14,284
General Obligation Bonds:					
2002 Classroom Facilities:					
Term Bonds 5.0%	0	3,220,000	0	3,220,000	0
Serial Bonds 3.0 to 5.0%	0	13,305,000	0	13,305,000	645,000
Capital Appreciation					
Bonds 3.9 to 4.6%	0	545,000	0	545,000	0
Accretion on Capital					
Appreciation Bonds	0	16,465	0	16,465	0
Premium on Debt Issue	0	450,106	3,262	446,844	0
Capital Leases	346,482	31,502	95,280	282,704	87,699
Compensated Absences	1,157,601	86,778	61,943	1,182,436	189,479
Total Governmental Activities					
Long-Term Obligations	<u>\$1,596,925</u>	<u>\$17,654,851</u>	<u>\$174,769</u>	<u>\$19,077,007</u>	<u>\$936,462</u>

EPA Asbestos Loan - On December 14, 1988, Portsmouth City School District obtained a loan in the amount of \$257,106 for the purpose of providing asbestos removal. The loan was issued for a twenty year period with final maturity during fiscal year 2008. The loan is interest free and will be retired from the debt service fund.

2002 Classroom Facilities General Obligation Bonds - On April 30, 2002, the School District issued \$17,070,000 in voted general obligation bonds for the purpose of constructing new classroom facilities. The bonds were issued for a twenty-three year period with final maturity in December 2024. The bonds will be retired from the debt service fund.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

The term bonds, issued at \$3,220,000, maturing on December 1, 2023 and December 1, 2024, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

Fiscal Year Ending June 30,	Amount
2024	\$1,550,000
2025	1,670,000
Total	<u>\$3,220,000</u>

The serial bonds, issued at \$13,305,000 with maturity dates of December 1, 2002 to December 1, 2005 and December 1, 2010 to December 1, 2022, are subject to optional redemption, in whole or in part on any date at the option of the Issuer on or after December 1, 2010.

The capital appreciation bonds, issued at \$545,000, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2007 thru 2010. The maturity amounts of the capital appreciation bonds are \$375,000 in fiscal years 2007 and 2008, \$360,000 in fiscal year 2009, and \$400,000 in fiscal year 2010. For fiscal year 2002, the capital appreciation bonds were accreted \$16,465.

The total outstanding bond value at fiscal year end was \$17,086,465. The total bond value at final maturity will be \$18,035,000. As of June 30, 2002, \$695,325 of the bond proceeds had been spent toward the project.

Compensated absences will be paid from the General fund and the Title I special revenue fund. Capital lease obligations will be paid from the General fund and the Food Service special revenue fund.

The School District's overall legal debt margin was \$3,447,519 with an unvoted debt margin of \$143,085 at June 30, 2002.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 16 - LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire Classroom Facilities General Obligation Bonds outstanding at June 30, 2002, are as follows:

Fiscal Year Ending June 30,	Term Bonds Principal	Term Bonds Interest	Serial Bonds Principal	Serial Bonds Interest	Capital Appreciation Principal	Capital Appreciation Interest	Total
2003	\$0	\$0	\$645,000	\$832,487	\$0	\$0	\$1,477,487
2004	0	0	345,000	750,867	0	0	1,095,867
2005	0	0	355,000	740,900	0	0	1,095,900
2006	0	0	365,000	730,268	0	0	1,095,268
2007	0	0	0	724,428	172,041	202,959	1,099,428
2008-2012	0	0	950,000	3,582,453	372,959	762,041	5,667,453
2013-2017	0	0	3,550,000	3,038,897	0	0	6,588,897
2018-2022	0	0	5,660,000	1,919,250	0	0	7,579,250
2023-2025	3,220,000	164,000	1,435,000	196,875	0	0	5,015,875
Total	<u>\$3,220,000</u>	<u>\$164,000</u>	<u>\$13,305,000</u>	<u>\$12,516,425</u>	<u>\$545,000</u>	<u>\$965,000</u>	<u>\$30,715,425</u>

Principal requirements to retire EPA Asbestos Loan outstanding at June 30, 2002, are as follows:

EPA Asbestos Loan - 1988	
Fiscal year Ending June 30,	Principal
2003	\$14,284
2004	14,284
2005	14,284
2006	14,284
2007	14,284
2008	7,138
Total	<u>\$78,558</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2002, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		General
		<hr/>
Payable	All Other	
	Nonmajor Funds	<u><u>\$67,760</u></u>

General fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the general fund for the initial advance.

The amounts due to the general fund from the special revenue and capital projects funds are the result of the general fund paying insurance premiums for employees which are paid from these funds. The reimbursement of the June benefit payments to the general fund from the special revenue and capital projects funds were not reimbursed until after fiscal year end.

Transfers made during the year ended June 30, 2002 were as follows:

		Transfers From		
		General	All Other Nonmajor Funds	Total
		<hr/>	<hr/>	<hr/>
Transfers To	General	\$0	\$59,714	\$59,714
	Site Acquisition	0	23,568	23,568
	Ohio School			
	Facilities Commission	0	167,583	167,583
	All Other			
	Nonmajor Funds	<u>73,998</u>	<u>0</u>	<u>73,998</u>
	Totals	<u><u>\$73,998</u></u>	<u><u>\$250,865</u></u>	<u><u>\$324,863</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 17 - INTERFUND ACTIVITY (continued)

General fund transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. Transfers are made to move monies from closed funds to the General fund.

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Adams, Brown, Highland, Lawrence, Pike, Ross, Jackson, Vinton and Scioto Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$5,392 for services provided during the year. Financial information can be obtained from the fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

Scioto County Joint Vocational School - The Scioto County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of two representatives from Portsmouth City School District and three representatives from the South Central Ohio Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Joint Vocational School at P.O. Box 766, Lucasville, Ohio 45648.

Coalition of Rural and Appalachian Schools - The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Council. During fiscal year 2002, the School District paid the Coalition \$300 for annual membership dues.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (continued)

Pilasco-Ross Special Education Regional Resource Center - The Pilasco-Ross Special Education Regional Resource Center (SERRC) is a special education service center which represents Lawrence, Pike, Ross and Scioto Counties. The SERRC selects its own governing board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of county boards of MR/DD, Joint Vocational Schools, Pickaway-Ross CTC, Shawnee State University, and Pike, Ross, Lawrence and South Central Ohio Educational Service Centers, whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The Portsmouth City School District's superintendent is on the SERRC Board. The fiscal agent for the SERRC is Dawson-Bryant Local School District. Financial information can be obtained by contacting Donald Washburn, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45663.

NOTE 19 - INSURANCE PURCHASING POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Ohio School Plan - The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association created for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc., and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Totals</u>
Set-aside Reserve Balance as of June 30, 2001	\$173,400	\$159,146	\$332,546
Current Year Set-aside Requirement	329,637	329,637	659,274
Current Year Offsets	0	(43,827)	(43,827)
Qualifying Disbursements	(180,769)	(224,757)	(405,526)
Set-aside Reserve Balance as of June 30, 2002	<u>\$322,268</u>	<u>\$220,199</u>	<u>\$542,467</u>

NOTE 21 – CONTRACTUAL COMMITMENTS

The School District contracted for the design and construction of new high school, middle school, and elementary school buildings. The outstanding construction commitments at June 30, 2002 are:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 6/30/02</u>
BBL Construction	\$3,516,180	\$64,317	\$3,451,863
Peck, Shaffer, and Williams	28,000	5,387	22,613
Tanner, Stone Architects	3,261,998	161,488	3,100,510
Total	<u>\$6,806,178</u>	<u>\$231,192</u>	<u>\$6,574,986</u>

NOTE 22 – STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

PORTSMOUTH CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2002

NOTE 23 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

B. Litigation

The School District is currently not party to any pending litigation.

NOTE 24 - FINANCIAL CONDITION

On April 19, 2001, the School District was placed into Fiscal Caution by the Ohio Department of Education. Under Ohio Revised Code Section 3316.031 (B) (3), the Ohio Department of Education will place a school district in Fiscal Caution when the Auditor of State certifies a forecasted general fund deficit between 2% and 8% of the general fund's prior year revenue. The School District has prepared a recovery plan which has been submitted to and approved by the Ohio Department of Education. The School District will be required to update their recovery plan if the School District experiences a significant change of events. A performance audit was conducted on the School District by the Auditor of State of Ohio dated June 26, 2002 to evaluate ways to improve operations within the School District.

PORTSMOUTH CITY SCHOOL DISTRICT
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service

To account for the provision of food services for the School District.

Jobs and Family Services

To account for local monies received from the Scioto County Auditor to be used for school programs that will help keep students in school and aid in their learning.

Venture Capital Grant

To account for grant proceeds to be used for staff development.

New Facilities Maintenance

To account for property tax revenues that are restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

Auxiliary Services Non Public

To account for local monies which provide services and materials to pupils attending non-public schools within the School District.

Local Professional Development Block Grant

To account for assistance provided to local school districts for the development of in-service programs.

Education Management Information System

To account for state reimbursements for hardware and software development, utilities, materials and supplies, or other costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid

To account for state monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds

SchoolNet Praise

To account for state grant monies used for Ohio Educational Computer Network Connections.

SchoolNet Summer Training

To account for state grant monies used for technology training.

Textbook Subsidy

To account for state grant monies to be used for instructional materials, including textbooks.

OhioReads

To account for state monies used to support literacy for grades K-4 and to prepare students to be proficient on the reading portion of the proficiency tests.

Summer School Subsidy

To account for state monies used to support intervention services for students attending summer school.

Extended Learning Opportunities

To account for the staff development of intervention reading strategies.

Miscellaneous State Grants

To account for various state monies received from state agencies which are not classified elsewhere.

Dwight D. Eisenhower

To account for federal funds used for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning. These funds are also used for staff development and the purchase of materials and supplies.

Title VI-B

To account for federal funds used for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I

To account for federal funds expended for services provided to meet special educational needs of educationally deprived children.

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

Nonmajor Special Revenue Funds

Title VI

To account for federal funds used to provide programs for gifted students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

Drug Free Schools

To provide federal funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

School Age Child Care Program

To account for monies received from the Department of Education to be used for the support of the latchkey programs.

E-Rate Funding

A fund used to account for refunds from utility companies. These refunds will be used to pay future telecommunications bills or will be transferred to the general fund.

Continuous Improvement Plan

To account for federal monies used to support a broad range of education improvement goals. Grants are used to support partnerships between school districts and colleges of education to improve teacher education and school instruction simultaneously.

Title VI-R

To account for federal monies used to help schools improve student achievement by adding additional teachers in grades 1-3.

Miscellaneous Federal Grants

To account for various federal monies received from federal agencies which are not classified elsewhere.

NONMAJOR DEBT SERVICE FUND

The Debt Service Fund is established to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. There is only one debt service fund.

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT

Nonmajor Governmental Fund Descriptions - (continued)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for the receipts and expenditures involved in the replacement or updating of equipment and other capital assets essential for the instruction of students.

Nonmajor Capital Projects Funds

Permanent Improvement

To account for all transactions relating to the acquiring, constructing, or improving of such permanent improvements as authorized by Chapter 5705, Revised Code.

SchoolNet

To account for state grant monies used for the installation of wiring and the purchase of a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Technology Equity

To account for state monies used for technology equity funding to low-wealth school districts.

Interactive Video Distance Learning

To account for state monies used to finance the interactive video distance learning project.

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Portsmouth City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,585,582	\$507,497	\$402,779	\$2,495,858
Receivables:				
Taxes	88,228	1,174,884	0	1,263,112
Intergovernmental	1,435,771	0	0	1,435,771
Prepaid Items	206	0	0	206
Materials and Supplies Inventory	26,706	0	0	26,706
Total Assets	\$3,136,493	\$1,682,381	\$402,779	\$5,221,653
<u>Liabilities:</u>				
Accounts Payable	\$32,935	\$0	\$0	\$32,935
Accrued Wages and Benefits Payable	598,771	0	600	599,371
Intergovernmental Payable	114,234	0	196	114,430
Interfund Payable	67,751	0	9	67,760
Matured Compensated Absences Payable	24,443	0	0	24,443
Deferred Revenue	1,347,892	1,034,151	0	2,382,043
Total Liabilities	2,186,026	1,034,151	805	3,220,982
<u>Fund Balances:</u>				
Reserved for Encumbrances	136,472	0	862	137,334
Reserved for Property Taxes	10,344	140,733	0	151,077
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	803,651	0	0	803,651
Debt Service Fund	0	507,497	0	507,497
Capital Project Funds	0	0	401,112	401,112
Total Fund Balances	950,467	648,230	401,974	2,000,671
Total Liabilities and Fund Balances	\$3,136,493	\$1,682,381	\$402,779	\$5,221,653

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$54,171	\$727,187	\$0	\$781,358
Intergovernmental	6,780,262	77,525	177,973	7,035,760
Interest	5,968	35,536	0	41,504
Customer Sales and Service	216,926	0	0	216,926
Miscellaneous	83,713	0	0	83,713
<i>Total Revenues</i>	<u>7,141,040</u>	<u>840,248</u>	<u>177,973</u>	<u>8,159,261</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	1,004,001	0	69,591	1,073,592
Special	3,200,908	0	0	3,200,908
Support Services:				
Pupil	464,176	0	0	464,176
Instructional Staff	1,102,150	0	26,347	1,128,497
Board of Education	2,302	0	0	2,302
Administration	143,380	0	0	143,380
Fiscal	10,216	866	20,775	31,857
Operation and Maintenance of Plant	52,053	0	20,059	72,112
Pupil Transportation	67,638	0	0	67,638
Central	16,540	0	0	16,540
Operation of Non-Instructional Services:				
Food Service Operations	953,714	0	0	953,714
Community Services	231,498	0	0	231,498
Debt Service:				
Principal Retirement	3,918	14,284	0	18,202
Interest and Fiscal Charges	348	194,057	0	194,405
Issuance Costs	0	256,050	0	256,050
Intergovernmental	35,000	0	0	35,000
<i>Total Expenditures</i>	<u>7,287,842</u>	<u>465,257</u>	<u>136,772</u>	<u>7,889,871</u>
Excess of Revenues Over (Under) Expenditures	<u>(146,802)</u>	<u>374,991</u>	<u>41,201</u>	<u>269,390</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	0	0	279,000	279,000
Premium on Debt Issuance	0	450,106	0	450,106
Transfers In	59,714	14,284	0	73,998
Transfers Out	(59,714)	(191,151)	0	(250,865)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>273,239</u>	<u>279,000</u>	<u>552,239</u>
<i>Net Change in Fund Balances</i>	(146,802)	648,230	320,201	821,629
<i>Fund Balances Beginning of Year</i>	<u>1,097,269</u>	<u>0</u>	<u>81,773</u>	<u>1,179,042</u>
<i>Fund Balances End of Year</i>	<u>\$950,467</u>	<u>\$648,230</u>	<u>\$401,974</u>	<u>\$2,000,671</u>

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002

	Food Service	New Facilities Maintenance	Auxiliary Services Non Public	Education Management Information System
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$303,312	\$49,434	\$70,556	\$12,933
Receivables:				
Taxes	0	88,228	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
Materials and Supplies Inventory	12,400	0	10,179	0
<i>Total Assets</i>	<u>\$315,712</u>	<u>\$137,662</u>	<u>\$80,735</u>	<u>\$12,933</u>
<u>Liabilities:</u>				
Accounts Payable	\$53	\$0	\$1,114	\$0
Accrued Wages and Benefits Payable	56,936	0	9,532	0
Intergovernmental Payable	9,040	0	1,431	35
Interfund Payable	0	0	7,604	0
Matured Compensated Absences Payable	0	0	0	0
Deferred Revenue	0	77,884	0	0
<i>Total Liabilities</i>	<u>66,029</u>	<u>77,884</u>	<u>19,681</u>	<u>35</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	0	6,907	0
Reserved for Property Taxes	0	10,344	0	0
Unreserved, Undesignated (Deficit)	249,683	49,434	54,147	12,898
<i>Total Fund Balances</i>	<u>249,683</u>	<u>59,778</u>	<u>61,054</u>	<u>12,898</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$315,712</u>	<u>\$137,662</u>	<u>\$80,735</u>	<u>\$12,933</u>

Disadvantaged Pupil Impact Aid	SchoolNet Praise	SchoolNet Summer Training	Textbook Subsidy	OhioReads	Extended Learning Opportunities	Miscellaneous State Grants
\$427,313	\$27,249	\$11,327	\$73,542	\$35,490	\$263	\$89,780
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$427,313</u>	<u>\$27,249</u>	<u>\$11,327</u>	<u>\$73,542</u>	<u>\$35,490</u>	<u>\$263</u>	<u>\$89,780</u>
\$0	\$0	\$0	\$0	\$13,216	\$0	\$1,663
267,925	0	0	0	0	0	315
40,360	0	0	0	9,081	0	1,502
6,785	0	13	0	60	0	198
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>315,070</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>22,357</u>	<u>0</u>	<u>3,678</u>
0	0	173	14,742	16,596	0	11,331
0	0	0	0	0	0	0
<u>112,243</u>	<u>27,249</u>	<u>11,141</u>	<u>58,800</u>	<u>(3,463)</u>	<u>263</u>	<u>74,771</u>
<u>112,243</u>	<u>27,249</u>	<u>11,314</u>	<u>73,542</u>	<u>13,133</u>	<u>263</u>	<u>86,102</u>
<u>\$427,313</u>	<u>\$27,249</u>	<u>\$11,327</u>	<u>\$73,542</u>	<u>\$35,490</u>	<u>\$263</u>	<u>\$89,780</u>

(continued)

Portsmouth City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002
(continued)

	Dwight D. Eisenhower	Title VI-B	Title I	Title VI
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$30,912	\$22,667	\$207,123	\$4,865
Receivables:				
Taxes	0	0	0	0
Intergovernmental	1,835	13,990	384,329	23,125
Prepaid Items	0	206	0	0
Materials and Supplies Inventory	0	4,127	0	0
Total Assets	\$32,747	\$40,990	\$591,452	\$27,990
<u>Liabilities:</u>				
Accounts Payable	\$1,190	\$29	\$3,169	\$0
Accrued Wages	0	2,320	165,105	2,748
Intergovernmental Payable	42	2,946	27,913	429
Interfund Payable	71	1,179	13,943	16,315
Matured Compensated Absences Payable	0	0	24,443	0
Deferred Revenue	1,835	0	268,804	0
Total Liabilities	3,138	6,474	503,377	19,492
<u>Fund Balances:</u>				
Reserved for Encumbrances	1,046	49	580	4,794
Reserved for Property Taxes	0	0	0	0
Unreserved, Undesignated (Deficit)	28,563	34,467	87,495	3,704
Total Fund Balances	29,609	34,516	88,075	8,498
Total Liabilities and Fund Balances	\$32,747	\$40,990	\$591,452	\$27,990

Drug Free Schools	E-Rate Funding	Continous Improvement Plan	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$12,835	\$5,716	\$18,646	\$60,416	\$121,203	\$1,585,582
0	0	0	0	0	88,228
14,563	0	0	10,611	987,318	1,435,771
0	0	0	0	0	206
0	0	0	0	0	26,706
<u>\$27,398</u>	<u>\$5,716</u>	<u>\$18,646</u>	<u>\$71,027</u>	<u>\$1,108,521</u>	<u>\$3,136,493</u>
\$197	\$1,982	\$306	\$0	\$10,016	\$32,935
2,390	0	500	33,254	57,746	598,771
3,604	0	291	4,524	13,036	114,234
11	0	44	753	20,775	67,751
0	0	0	0	0	24,443
14,563	0	0	67	984,739	1,347,892
<u>20,765</u>	<u>1,982</u>	<u>1,141</u>	<u>38,598</u>	<u>1,086,312</u>	<u>2,186,026</u>
1,843	1,655	319	0	76,437	136,472
0	0	0	0	0	10,344
4,790	2,079	17,186	32,429	(54,228)	803,651
<u>6,633</u>	<u>3,734</u>	<u>17,505</u>	<u>32,429</u>	<u>22,209</u>	<u>950,467</u>
<u>\$27,398</u>	<u>\$5,716</u>	<u>\$18,646</u>	<u>\$71,027</u>	<u>\$1,108,521</u>	<u>\$3,136,493</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Jobs and Family Services	Venture Capital Grant	New Facilities Maintenance
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$54,171
Intergovernmental	715,789	7,746	0	5,679
Interest	4,710	0	0	0
Customer Sales and Service	216,926	0	0	0
Miscellaneous	5,190	1,030	0	0
<i>Total Revenues</i>	<u>942,615</u>	<u>8,776</u>	<u>0</u>	<u>59,850</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	22,811	11,252	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	190	0	0
Board of Education	1,151	0	0	0
Administration	0	0	0	0
Fiscal	144	0	0	72
Operation and Maintenance of Plant	17,750	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	952,572	0	0	0
Community Service	0	0	0	0
Debt Service:				
Principal	3,918	0	0	0
Interest	348	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>975,883</u>	<u>23,001</u>	<u>11,252</u>	<u>72</u>
Excess of Revenues Over (Under) Expenditures	<u>(33,268)</u>	<u>(14,225)</u>	<u>(11,252)</u>	<u>59,778</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(33,268)</u>	<u>(14,225)</u>	<u>(11,252)</u>	<u>59,778</u>
<i>Fund Balances Beginning of Year</i>	<u>282,951</u>	<u>14,225</u>	<u>11,252</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$249,683</u>	<u>\$0</u>	<u>\$0</u>	<u>\$59,778</u>

Auxiliary Services Non Public	Local Professional Development Block Grant	Education Management Information System	Disadvantaged Pupil Impact Aid	SchoolNet Praise
\$0	\$0	\$0	\$0	\$0
229,532	0	8,437	2,114,877	21,000
1,258	0	0	0	0
0	0	0	0	0
107	0	0	0	0
<u>230,897</u>	<u>0</u>	<u>8,437</u>	<u>2,114,877</u>	<u>21,000</u>
0	5,622	0	0	17,751
0	0	0	1,650,429	0
0	0	0	78,858	0
0	0	0	173,017	0
0	0	0	0	0
0	601	0	141,631	0
0	0	0	0	0
0	0	0	0	0
0	0	0	315	0
0	0	16,540	0	0
0	0	0	0	0
218,303	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>218,303</u>	<u>6,223</u>	<u>16,540</u>	<u>2,044,250</u>	<u>17,751</u>
<u>12,594</u>	<u>(6,223)</u>	<u>(8,103)</u>	<u>70,627</u>	<u>3,249</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
12,594	(6,223)	(8,103)	70,627	3,249
48,460	6,223	21,001	41,616	24,000
<u>\$61,054</u>	<u>\$0</u>	<u>\$12,898</u>	<u>\$112,243</u>	<u>\$27,249</u>

(continued)

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002
(continued)

	SchoolNet Summer Training	Textbook Subsidy	OhioReads	Summer School Subsidy
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	7,592	0	49,000	0
Interest	0	0	0	0
Customer Sales and Service	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>7,592</u>	<u>0</u>	<u>49,000</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	228	43,815	6,287	33,038
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	2,108	0	35,956	0
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Service	0	0	0	0
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>2,336</u>	<u>43,815</u>	<u>42,243</u>	<u>33,038</u>
Excess of Revenues Over (Under) Expenditures	<u>5,256</u>	<u>(43,815)</u>	<u>6,757</u>	<u>(33,038)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	5,256	(43,815)	6,757	(33,038)
<i>Fund Balances Beginning of Year</i>	<u>6,058</u>	<u>117,357</u>	<u>6,376</u>	<u>33,038</u>
<i>Fund Balances End of Year</i>	<u><u>\$11,314</u></u>	<u><u>\$73,542</u></u>	<u><u>\$13,133</u></u>	<u><u>\$0</u></u>

Extended Learning Opportunities	Miscellaneous State Grants	Dwight D. Eisenhower	Title VI-B	Title I
\$0	\$0	\$0	\$0	\$0
0	102,215	37,275	277,934	1,475,640
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	102,215	37,275	277,934	1,475,640
19,626	45,285	5,156	0	0
0	0	0	37,877	1,251,376
0	0	0	156,420	0
19,977	58,331	13,543	66,926	235,646
0	0	0	0	0
0	0	0	0	0
0	0	0	1,000	2,000
0	1,242	0	22,266	0
0	0	0	0	1,429
0	0	0	0	0
0	0	0	0	0
0	0	0	0	5,310
0	0	0	0	0
0	0	0	0	0
0	35,000	0	0	0
39,603	139,858	18,699	284,489	1,495,761
(39,603)	(37,643)	18,576	(6,555)	(20,121)
0	59,293	0	0	0
0	(59,293)	0	0	0
0	0	0	0	0
(39,603)	(37,643)	18,576	(6,555)	(20,121)
39,866	123,745	11,033	41,071	108,196
\$263	\$86,102	\$29,609	\$34,516	\$88,075

(continued)

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002
(continued)

	Title VI	Drug Free Schools	School Age Child Care Program	E-Rate Funding
<u>Revenues:</u>				
Property Taxes	\$0	\$0	\$0	\$0
Intergovernmental	32,571	41,183	0	0
Interest	0	0	0	0
Customer Sales and Service	0	0	0	0
Miscellaneous	0	0	0	77,317
<i>Total Revenues</i>	<u>32,571</u>	<u>41,183</u>	<u>0</u>	<u>77,317</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	65	0
Special	22,399	0	0	0
Support Services:				
Pupil	0	15,141	0	0
Instructional Staff	0	20,011	0	114,977
Board of Education	0	0	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	850	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Community Service	2,958	4,927	0	0
Debt Service:				
Principal	0	0	0	0
Interest	0	0	0	0
Intergovernmental	0	0	0	0
<i>Total Expenditures</i>	<u>25,357</u>	<u>40,929</u>	<u>65</u>	<u>114,977</u>
Excess of Revenues Over (Under) Expenditures	<u>7,214</u>	<u>254</u>	<u>(65)</u>	<u>(37,660)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	7,214	254	(65)	(37,660)
<i>Fund Balances Beginning of Year</i>	<u>1,284</u>	<u>6,379</u>	<u>65</u>	<u>41,394</u>
<i>Fund Balances End of Year</i>	<u><u>\$8,498</u></u>	<u><u>\$6,633</u></u>	<u><u>\$0</u></u>	<u><u>\$3,734</u></u>

Continous Improvement Plan	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$54,171
43,482	225,256	1,385,054	6,780,262
0	0	0	5,968
0	0	0	216,926
0	0	69	83,713
<u>43,482</u>	<u>225,256</u>	<u>1,385,123</u>	<u>7,141,040</u>
21,563	4,516	766,986	1,004,001
0	223,436	15,391	3,200,908
0	0	213,757	464,176
55,248	0	306,220	1,102,150
0	0	1,151	2,302
0	0	1,148	143,380
0	0	7,000	10,216
0	0	9,945	52,053
0	0	65,894	67,638
0	0	0	16,540
0	0	1,142	953,714
0	0	0	231,498
0	0	0	3,918
0	0	0	348
0	0	0	35,000
<u>76,811</u>	<u>227,952</u>	<u>1,388,634</u>	<u>7,287,842</u>
<u>(33,329)</u>	<u>(2,696)</u>	<u>(3,511)</u>	<u>(146,802)</u>
0	0	421	59,714
0	0	(421)	(59,714)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(33,329)	(2,696)	(3,511)	(146,802)
<u>50,834</u>	<u>35,125</u>	<u>25,720</u>	<u>1,097,269</u>
<u>\$17,505</u>	<u>\$32,429</u>	<u>\$22,209</u>	<u>\$950,467</u>

Portsmouth City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2002

	<u>Permanent Improvement</u>	<u>SchoolNet</u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	<u>\$271,455</u>	<u>\$84,746</u>
<u>Liabilities:</u>		
Accrued Wages and Benefits Payable	\$0	\$0
Intergovernmental Payable	0	0
Interfund Payable	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>
<u>Fund Balances:</u>		
Reserved for Encumbrances	0	0
Unreserved, Undesignated	<u>271,455</u>	<u>84,746</u>
<i>Total Fund Balances</i>	<u>271,455</u>	<u>84,746</u>
 <i>Total Liabilities and Fund Balances</i>	 <u>\$271,455</u>	 <u>\$84,746</u>

<u>Technology Equity</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>\$26,716</u>	<u>\$19,862</u>	<u>\$402,779</u>
\$0	\$600	\$600
20	176	196
9	0	9
<u>29</u>	<u>776</u>	<u>805</u>
0	862	862
<u>26,687</u>	<u>18,224</u>	<u>401,112</u>
<u>26,687</u>	<u>19,086</u>	<u>401,974</u>
<u>\$26,716</u>	<u>\$19,862</u>	<u>\$402,779</u>

Portsmouth City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2002

	Permanent Improvement	SchoolNet
<u>Revenues:</u>		
Intergovernmental	\$0	\$84,740
<u>Expenditures:</u>		
Current:		
Instruction:		
Regular	0	40,334
Support Services:		
Instructional Staff	0	272
Fiscal	20,775	0
Operation and Maintenance of Plant	20,059	0
<i>Total Expenditures</i>	40,834	40,606
Excess of Revenues Over (Under) Expenditures	(40,834)	44,134
<u>Other Financing Sources:</u>		
Proceeds from Sale of Fixed Assets	279,000	0
<i>Net Change in Fund Balances</i>	238,166	44,134
<i>Fund Balances (Deficit) Beginning of Year</i>	33,289	40,612
<i>Fund Balances End of Year</i>	\$271,455	\$84,746

<u>Technology Equity</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>\$33,533</u>	<u>\$59,700</u>	<u>\$177,973</u>
29,257	0	69,591
7,645	18,430	26,347
0	0	20,775
<u>0</u>	<u>0</u>	<u>20,059</u>
<u>36,902</u>	<u>18,430</u>	<u>136,772</u>
(3,369)	41,270	41,201
<u>0</u>	<u>0</u>	<u>279,000</u>
(3,369)	41,270	320,201
<u>30,056</u>	<u>(22,184)</u>	<u>81,773</u>
<u>\$26,687</u>	<u>\$19,086</u>	<u>\$401,974</u>

PORTSMOUTH CITY SCHOOL DISTRICT

Fiduciary Fund Description

AGENCY FUND

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

Student Managed Activity Fund

To account for student activity programs which have student participation in the activity and have students involved in the management of the program.

Portsmouth City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2002

	Balance at 6/30/2001	Additions	Deletions	Balance at 6/30/2002
STUDENT MANAGED ACTIVITY				
<i>Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$11,418	\$985	\$1,023	\$11,380
<i>Liabilities:</i>				
Undistributed Monies	\$11,418	\$985	\$1,023	\$11,380

PORTSMOUTH CITY SCHOOL DISTRICT

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$4,789,876	\$4,319,176	\$4,319,176	\$0
Intergovernmental	9,757,757	12,277,012	12,193,808	(83,204)
Interest	76,387	96,108	96,108	0
Tuition and Fees	185,178	232,987	232,987	0
Extracurricular Activities	73,071	91,939	91,939	0
Rentals	31,634	39,801	39,801	0
Contributions and Donations	42,033	52,885	52,885	0
Miscellaneous	1,273,412	1,606,376	1,615,429	9,053
<i>Total Revenues</i>	<u>16,229,348</u>	<u>18,716,284</u>	<u>18,642,133</u>	<u>(74,151)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries	3,392,378	3,541,890	3,423,937	117,953
Fringe Benefits	1,549,768	1,540,817	1,261,774	279,043
Purchased Services	13,423	13,123	12,416	707
Materials and Supplies	140,368	146,417	123,109	23,308
Capital Outlay	10,800	10,844	10,844	0
Other	200	400	145	255
<i>Total Regular</i>	<u>5,106,937</u>	<u>5,253,491</u>	<u>4,832,225</u>	<u>421,266</u>
Special:				
Salaries	1,373,321	1,552,296	1,536,401	15,895
Fringe Benefits	547,422	547,651	554,965	(7,314)
Purchased Services	2,200	3,700	1,572	2,128
Materials and Supplies	600	1,682	1,182	500
Capital Outlay	2,856	7,500	0	7,500
Other	0	61	61	0
<i>Total Special</i>	<u>1,926,399</u>	<u>2,112,890</u>	<u>2,094,181</u>	<u>18,709</u>
Vocational:				
Salaries	240,351	272,660	280,301	(7,641)
Fringe Benefits	80,505	80,505	87,737	(7,232)
Purchased Services	100	100	0	100
Materials and Supplies	2,904	4,383	4,383	0
Capital Outlay	33,836	2,459	2,459	0
<i>Total Vocational</i>	<u>357,696</u>	<u>360,107</u>	<u>374,880</u>	<u>(14,773)</u>
Other:				
Purchased Services	3,301,212	3,301,212	3,987,444	(686,232)
<i>Total Instruction</i>	<u>\$10,692,244</u>	<u>\$11,027,700</u>	<u>\$11,288,730</u>	<u>(\$261,030)</u> (continued)

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Support Services:				
Pupils				
Salaries	\$605,137	\$631,522	\$540,766	\$90,756
Fringe Benefits	197,613	197,716	183,068	14,648
Purchased Services	43,130	39,165	25,265	13,900
Materials and Supplies	53,587	49,393	48,585	808
Other	1,000	1,000	4,500	(3,500)
Total Pupils	<u>900,467</u>	<u>918,796</u>	<u>802,184</u>	<u>116,612</u>
Instructional Staff				
Salaries	775,736	839,927	844,078	(4,151)
Fringe Benefits	442,847	442,826	408,805	34,021
Purchased Services	36,006	29,748	29,189	559
Materials and Supplies	41,565	51,793	48,128	3,665
Capital Outlay	12,269	7,541	7,681	(140)
Other	900	900	1,550	(650)
Total Instructional Staff	<u>1,309,323</u>	<u>1,372,735</u>	<u>1,339,431</u>	<u>33,304</u>
Board of Education				
Salaries	4,800	4,800	4,800	0
Fringe Benefits	544	544	546	(2)
Purchased Services	5,025	3,582	1,188	2,394
Materials and Supplies	550	1,050	452	598
Other	27,000	27,000	9,869	17,131
Total Board of Education	<u>37,919</u>	<u>36,976</u>	<u>16,855</u>	<u>20,121</u>
Administration				
Salaries	619,067	654,592	646,002	8,590
Fringe Benefits	286,442	286,442	253,890	32,552
Purchased Services	140,583	142,802	143,546	(744)
Materials and Supplies	33,582	45,540	34,925	10,615
Capital Outlay	1,296	2,155	2,330	(175)
Other	125,250	125,250	122,123	3,127
Total Administration	<u>1,206,220</u>	<u>1,256,781</u>	<u>1,202,816</u>	<u>53,965</u>
Fiscal				
Salaries	189,973	204,328	204,775	(447)
Fringe Benefits	96,027	96,027	91,582	4,445
Purchased Services	72,144	74,033	57,863	16,170
Materials and Supplies	11,484	9,975	6,641	3,334
Capital Outlay	1,500	2,000	0	2,000
Other	277,200	284,626	283,379	1,247
Total Fiscal	<u>\$648,328</u>	<u>\$670,989</u>	<u>\$644,240</u>	<u>\$26,749</u>

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002
(continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$39,560	\$45,202	\$43,910	\$1,292
Fringe Benefits	12,419	12,419	11,592	827
Purchased Services	13,100	8,688	7,275	1,413
Materials and Supplies	6,765	10,965	9,359	1,606
Capital Outlay	500	500	330	170
Other	102	102	0	102
Total Business	72,446	77,876	72,466	5,410
Operation and Maintenance of Plant				
Salaries	646,749	699,172	705,460	(6,288)
Fringe Benefits	352,506	351,350	308,893	42,457
Purchased Services	489,770	505,442	418,031	87,411
Materials and Supplies	69,826	78,259	67,963	10,296
Capital Outlay	21,506	12,427	11,309	1,118
Total Operation and Maintenance of Plant	1,580,357	1,646,650	1,511,656	134,994
Pupil Transportation				
Salaries	172,331	187,846	172,432	15,414
Fringe Benefits	95,672	96,178	82,958	13,220
Purchased Services	71,041	60,041	68,652	(8,611)
Materials and Supplies	43,784	44,584	30,645	13,939
Capital Outlay	30,000	24,963	24,963	0
Total Pupil Transportation	412,828	413,612	379,650	33,962
Central				
Fringe Benefits	0	0	932	(932)
Purchased Services	9,520	9,554	6,980	2,574
Materials and Supplies	1,500	1,500	0	1,500
Capital Outlay	600	600	480	120
Total Central	11,620	11,654	8,392	3,262
Total Support Services	6,179,508	6,406,069	5,977,690	428,379
Operation of Non-Instructional Services:				
Food Service				
Salaries	17,809	47,843	47,133	710
Fringe Benefits	9,552	9,555	10,179	(624)
Purchased Services	6,150	6,150	5,069	1,081
Total Food Service	\$33,511	\$63,548	\$62,381	\$1,167

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002
 (continued)

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Community Services				
Salaries	\$0	\$3,190	\$3,190	\$0
Materials and Supplies	0	190	150	40
Total Community Services	0	3,380	3,340	40
Total Operation of Non-Instructional Services	33,511	66,928	65,721	1,207
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	14,621	13,121	12,488	633
Fringe Benefits	2,412	2,412	1,614	798
Purchased Services	3,000	3,280	2,969	311
Materials and Supplies	0	119	119	0
Total Academic Oriented Activities	20,033	18,932	17,190	1,742
Sports Oriented Activities:				
Salaries and Wages	96,796	97,646	98,454	(808)
Fringe Benefits	16,016	16,133	14,411	1,722
Purchased Services	24,064	61,198	52,343	8,855
Materials and Supplies	2,857	40,467	40,131	336
Capital Outlay	1,150	2,938	2,938	0
Total Sports Oriented Activities	140,883	218,382	208,277	10,105
School and Public Service:				
Salaries and Wages	3,625	4,435	3,233	1,202
Fringe Benefits	10,563	10,564	9,782	782
Purchased Services	11,023	11,443	11,443	0
Materials and Supplies	320	15,399	15,439	(40)
Capital Outlay	0	370	370	0
Total School and Public Service	25,531	42,211	40,267	1,944
Total Extracurricular Activities	186,447	279,525	265,734	13,791
Total Expenditures	17,091,710	17,780,222	17,597,875	182,347
Excess of Revenues Over (Under) Expenditures	(\$862,362)	\$936,062	\$1,044,258	\$108,196

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2002
 (continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Other Financing Sources (Uses):</i>				
Proceeds from Sale of Fixed Assets	\$0	\$7,697	\$7,697	\$0
Refund of Prior Year Expenditures	0	63,860	63,860	0
Transfers In	0	59,714	59,714	0
Transfers Out	(147,628)	(75,885)	(73,998)	1,887
Advances In	0	15,814	15,814	0
Advances Out	(50,000)	(45,836)	(35,616)	10,220
Refund of Prior Year Receipts	(39)	0	(39)	(39)
<i>Total Other Financing Sources (Uses)</i>	<u>(197,667)</u>	<u>25,364</u>	<u>37,432</u>	<u>12,068</u>
Net Change in Fund Balance	(1,060,029)	961,426	1,081,690	120,264
Fund Balance at Beginning of Year	772,849	772,849	772,849	0
Prior Year Encumbrances Appropriated	<u>213,732</u>	<u>213,732</u>	<u>213,732</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$73,448)</u>	<u>\$1,948,007</u>	<u>\$2,068,271</u>	<u>\$120,264</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Site Acquisition Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property Taxes	\$188,902	\$0	\$0	\$0
Interest	0	44,914	52,539	7,625
<i>Total Revenues</i>	<u>188,902</u>	<u>44,914</u>	<u>52,539</u>	<u>7,625</u>
<u>Expenditures:</u>				
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	59,487	59,487	43,547	15,940
Capital Outlay - New	1,831,873	1,831,873	1,281,073	550,800
<i>Total Expenditures</i>	<u>1,891,360</u>	<u>1,891,360</u>	<u>1,324,620</u>	<u>566,740</u>
Excess of Revenues Over (Under) Expenditures	(1,702,458)	(1,846,446)	(1,272,081)	574,365
<u>Other Financing Sources:</u>				
Proceeds from Sale of Notes	5,525,200	5,520,000	5,520,000	0
Net Change in Fund Balance	3,822,742	3,673,554	4,247,919	574,365
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,822,742</u></u>	<u><u>\$3,673,554</u></u>	<u><u>\$4,247,919</u></u>	<u><u>\$574,365</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Ohio School Facilities Commission Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$9,672	\$381,575	\$382,422	\$847
Interest	0	29,197	29,197	0
<i>Total Revenues</i>	9,672	410,772	411,619	847
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant :				
Purchased Services	1,100	0	0	0
Capital Outlay - New	2,553	3,904	3,904	0
Total Support Services	3,653	3,904	3,904	0
Capital Outlay:				
Educational Specifications Development Services:				
Purchased Services	0	442,797	112,628	330,169
Building Acquisition and Construction Services:				
Purchased Services	0	28,000	5,387	22,613
Other Facilities Acquisition and Construction:				
Purchased Services	0	922	922	0
Total Capital Outlay	0	471,719	118,937	352,782
<i>Total Expenditures</i>	3,653	475,623	122,841	352,782
Excess of Revenues Over (Under) Expenditures	6,019	(64,851)	288,778	353,629
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Notes	0	11,550,000	11,550,000	0
Advances Out	0	(9,672)	(9,672)	0
<i>Total Other Financing Sources (Uses)</i>	0	11,540,328	11,540,328	0
Net Change in Fund Balance	6,019	11,475,477	11,829,106	353,629
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	3,654	3,654	3,654	0
Fund Balance at End of Year	\$9,673	\$11,479,131	\$11,832,760	\$353,629

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$885,798	\$748,969	\$748,969	\$0
Interest	6,657	5,629	5,629	0
Charge for Services	256,895	217,212	217,501	289
<i>Total Revenues</i>	<u>1,149,350</u>	<u>971,810</u>	<u>972,099</u>	<u>289</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Board of Education:				
Other	<u>0</u>	<u>1,151</u>	<u>1,151</u>	<u>0</u>
Fiscal:				
Purchased Services	<u>150</u>	<u>144</u>	<u>144</u>	<u>0</u>
Operation and Maintenance of Plant:				
Purchased Services	24,200	14,741	14,741	0
Materials and Supplies	500	83	83	0
Capital Outlay	<u>6,000</u>	<u>2,926</u>	<u>2,926</u>	<u>0</u>
Total Operation and Maintenance of Plant	<u>30,700</u>	<u>17,750</u>	<u>17,750</u>	<u>0</u>
Total Support Services	<u>30,850</u>	<u>19,045</u>	<u>19,045</u>	<u>0</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	390,300	383,740	339,181	44,559
Fringe Benefits	243,590	242,251	202,392	39,859
Purchased Services	5,900	5,505	5,505	0
Materials and Supplies	468,825	368,099	347,344	20,755
Capital Outlay	<u>10,000</u>	<u>8,849</u>	<u>327</u>	<u>8,522</u>
Total Operation of Non-Instructional Services	<u>1,118,615</u>	<u>1,008,444</u>	<u>894,749</u>	<u>113,695</u>
<i>Total Expenditures</i>	<u>1,149,465</u>	<u>1,027,489</u>	<u>913,794</u>	<u>113,695</u>
Excess of Revenues Over (Under) Expenditures	(115)	(55,679)	58,305	113,984
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	<u>0</u>	<u>5,190</u>	<u>5,190</u>	<u>0</u>
Net Change in Fund Balance	(115)	(50,489)	63,495	113,984
Fund Balance at Beginning of Year	239,702	239,702	239,702	0
Prior Year Encumbrances	<u>115</u>	<u>115</u>	<u>115</u>	<u>0</u>
Fund Balance at End of Year	<u>\$239,702</u>	<u>\$189,328</u>	<u>\$303,312</u>	<u>\$113,984</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Jobs and Family Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$7,746	\$7,746	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	38,031	38,031	38,031	0
Fringe Benefits	17,850	17,850	17,850	0
Materials and Supplies	15,163	12,911	12,911	0
Total Instruction	71,044	68,792	68,792	0
Support Services:				
Pupils:				
Fringe Benefits	11	11	11	0
Instructional Staff:				
Salaries and Wages	212	212	212	0
Fringe Benefits	50	50	50	0
Total Instructional Staff	262	262	262	0
Total Support Services	273	273	273	0
<i>Total Expenditures</i>	71,317	69,065	69,065	0
Excess of Revenues Under Expenditures	(71,317)	(61,319)	(61,319)	0
<u>Other Financing Sources:</u>				
Refund of Prior Year Expenditures	0	1,030	1,030	0
Net Change in Fund Balance	(71,317)	(60,289)	(60,289)	0
Fund Balance at Beginning of Year	45,061	45,061	45,061	0
Prior Year Encumbrances	15,228	15,228	15,228	0
Fund Balance (Deficit) at End of Year	(\$11,028)	\$0	\$0	\$0

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Venture Capital Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,660	3,655	3,655	0
Fringe Benefits	929	585	585	0
Purchased Services	1,259	942	942	0
Materials and Supplies	3,261	3,159	3,159	0
Capital Outlay	3,435	3,525	3,525	0
<i>Total Expenditures</i>	<u>12,544</u>	<u>11,866</u>	<u>11,866</u>	<u>0</u>
Excess of Revenues Under Expenditures	(12,544)	(11,866)	(11,866)	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	<u>0</u>	<u>(678)</u>	<u>(678)</u>	<u>0</u>
Net Change in Fund Balance	(12,544)	(12,544)	(12,544)	0
Fund Balance at Beginning of Year	6,377	6,377	6,377	0
Prior Year Encumbrances	<u>6,167</u>	<u>6,167</u>	<u>6,167</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
New Facilities Maintenance Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$3,812	\$43,827	\$43,827	\$0
Intergovernmental	0	0	5,679	5,679
<i>Total Revenues</i>	3,812	43,827	49,506	5,679
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal				
Other	72	72	72	0
Net Change in Fund Balance	3,740	43,755	49,434	5,679
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$3,740</u>	<u>\$43,755</u>	<u>\$49,434</u>	<u>\$5,679</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Non Public Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$427,700	\$229,404	\$229,532	\$128
Interest	0	1,258	1,258	0
Miscellaneous	0	107	107	0
<i>Total Revenues</i>	<u>427,700</u>	<u>230,769</u>	<u>230,897</u>	<u>128</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	82,882	77,867	71,707	6,160
Fringe Benefits	32,456	27,907	28,699	(792)
Purchased Services	86,595	76,520	69,164	7,356
Materials and Supplies	62,513	81,951	49,487	32,464
Capital Outlay	4,946	9,246	4,844	4,402
<i>Total Expenditures</i>	<u>269,392</u>	<u>273,491</u>	<u>223,901</u>	<u>49,590</u>
Net Change in Fund Balance	158,308	(42,722)	6,996	49,718
Fund Balance at Beginning of Year	33,063	33,063	33,063	0
Prior Year Encumbrances Appropriated	<u>22,477</u>	<u>22,477</u>	<u>22,477</u>	<u>0</u>
Fund Balance at End of Year	<u>\$213,848</u>	<u>\$12,818</u>	<u>\$62,536</u>	<u>\$49,718</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Local Professional Development Block Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	420	1,497	(1,077)
Fringe Benefits	231	102	102	0
Purchased Services	2,371	2,080	2,403	(323)
Materials and Supplies	1,326	1,326	1,139	187
Capital Outlay	700	700	647	53
Total Instruction	4,628	4,628	5,788	(1,160)
Support Services:				
Administration:				
Fringe Benefits	1,761	1,761	601	1,160
<i>Total Expenditures</i>	6,389	6,389	6,389	0
Net Change in Fund Balance	(6,389)	(6,389)	(6,389)	0
Fund Balance at Beginning of Year	6,293	6,293	6,293	0
Prior Year Encumbrances	96	96	96	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Education Management Information System Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$8,437	\$8,437	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Central:				
Salaries and Wages	148	6,148	6,000	148
Fringe Benefits	78	78	875	(797)
Purchased Services	10,099	10,099	9,876	223
<i>Total Expenditures</i>	<u>10,325</u>	<u>16,325</u>	<u>16,751</u>	<u>(426)</u>
Net Change in Fund Balance	(10,325)	(7,888)	(8,314)	(426)
Fund Balance at Beginning of Year	<u>21,247</u>	<u>21,247</u>	<u>21,247</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$10,922</u></u>	<u><u>\$13,359</u></u>	<u><u>\$12,933</u></u>	<u><u>(\$426)</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,157,287	\$2,114,877	\$2,114,877	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,242,108	1,102,275	1,133,449	(31,174)
Fringe Benefits	570,936	618,252	471,093	147,159
Total Special	1,813,044	1,720,527	1,604,542	115,985
Other:				
Purchased Services	54,269	27	0	27
Total Instruction	1,867,313	1,720,554	1,604,542	116,012
Support Services:				
Pupils:				
Salaries and Wages	64,529	67,993	46,986	21,007
Fringe Benefits	26,200	28,080	19,568	8,512
Purchased Services	33,115	32,260	10,735	21,525
Materials and Supplies	21,379	0	0	0
Capital Outlay	13,418	0	0	0
Total Pupils	158,641	128,333	77,289	51,044
Instructional Staff:				
Salaries and Wages	115,124	113,059	76,996	36,063
Fringe Benefits	130,792	111,070	74,616	36,454
Purchased Services	2,028	150	71	79
Total Instructional Staff	247,944	224,279	151,683	72,596
Administration:				
Salaries and Wages	104,520	105,540	86,655	18,885
Fringe Benefits	44,093	44,676	32,461	12,215
Total Administration	148,613	150,216	119,116	31,100
Pupil Transportation:				
Purchased Services	315	315	315	0
Total Support Services	555,513	503,143	348,403	154,740
Total Expenditures	2,422,826	2,223,697	1,952,945	270,752
Net Change in Fund Balance	(265,539)	(108,820)	161,932	270,752
Fund Balance at Beginning of Year	265,016	265,016	265,016	0
Prior Year Encumbrances Appropriated	365	365	365	0
Fund Balance (Deficit) at End of Year	(\$158)	\$156,561	\$427,313	\$270,752

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Praise Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$0	\$21,000	\$21,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Capital Outlay	24,000	24,000	17,751	6,249
Net Change in Fund Balance	(24,000)	(3,000)	3,249	6,249
Fund Balance at Beginning of Year	24,000	24,000	24,000	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$21,000</u>	<u>\$27,249</u>	<u>\$6,249</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Summer Training Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$4,142	\$7,592	\$3,450
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	416	416	0	416
Fringe Benefits	291	291	3	288
Purchased Services	351	351	225	126
Total Instruction	1,058	1,058	228	830
Support Services:				
Instructional Staff:				
Salaries and Wages	2,102	2,102	1,020	1,082
Fringe Benefits	498	498	148	350
Purchased Services	2,400	2,400	1,100	1,300
Total Support Services	5,000	5,000	2,268	2,732
<i>Total Expenditures</i>	6,058	6,058	2,496	3,562
Net Change in Fund Balance	(6,058)	(1,916)	5,096	7,012
Fund Balance at Beginning of Year	6,058	6,058	6,058	0
Fund Balance at End of Year	\$0	\$4,142	\$11,154	\$7,012

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Textbook Subsidy Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	118,330	58,557	58,557	0
Net Change in Fund Balance	(118,330)	(58,557)	(58,557)	0
Fund Balance at Beginning of Year	116,383	116,383	116,383	0
Prior Year Encumbrances	974	974	974	0
Fund Balance (Deficit) at End of Year	<u>(\$973)</u>	<u>\$58,800</u>	<u>\$58,800</u>	<u>\$0</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
OhioReads Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$49,000	\$49,000	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	21	21	19	2
Materials and Supplies	7,225	7,225	7,138	87
Total Instruction	7,246	7,246	7,157	89
Support Services:				
Instructional Staff:				
Salaries and Wages	2,125	5,055	7,055	(2,000)
Fringe Benefits	474	797	1,109	(312)
Purchased Services	4,500	19,000	19,000	0
Materials and Supplies	7,900	20,147	21,835	(1,688)
Total Support Services	14,999	44,999	48,999	(4,000)
<i>Total Expenditures</i>	22,245	52,245	56,156	(3,911)
Net Change in Fund Balance	(22,245)	(3,245)	(7,156)	(3,911)
Fund Balance at Beginning of Year	55	55	55	0
Prior Year Encumbrances	7,192	7,192	7,192	0
Fund Balance (Deficit) at End of Year	<u>(\$14,998)</u>	<u>\$4,002</u>	<u>\$91</u>	<u>(\$3,911)</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Summer School Subsidy Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,644	11,644	11,644	0
Fringe Benefits	1,234	1,234	1,234	0
Materials and Supplies	4,915	4,915	4,915	0
Capital Outlay	15,245	15,245	15,245	0
<i>Total Expenditures</i>	<u>33,038</u>	<u>33,038</u>	<u>33,038</u>	<u>0</u>
Net Change in Fund Balance	(33,038)	(33,038)	(33,038)	0
Fund Balance at Beginning of Year	<u>33,038</u>	<u>33,038</u>	<u>33,038</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Extended Learning Opportunities Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,780	7,780	7,780	0
Fringe Benefits	1,181	1,181	1,181	0
Purchased Services	7,661	7,661	7,661	0
Materials and Supplies	3,004	3,004	3,004	0
Total Instruction	<u>19,626</u>	<u>19,626</u>	<u>19,626</u>	<u>0</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	4,100	4,100	4,100	0
Fringe Benefits	610	610	610	0
Materials and Supplies	15,530	15,530	15,267	263
Total Support Services	<u>20,240</u>	<u>20,240</u>	<u>19,977</u>	<u>263</u>
<i>Total Expenditures</i>	<u>39,866</u>	<u>39,866</u>	<u>39,603</u>	<u>263</u>
Net Change in Fund Balance	(39,866)	(39,866)	(39,603)	263
Fund Balance at Beginning of Year	<u>39,866</u>	<u>39,866</u>	<u>39,866</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$263</u></u>	<u><u>\$263</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$31,200	\$67,215	\$67,215	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,862	862	225	637
Fringe Benefits	780	138	35	103
Purchased Services	13,400	1,816	783	1,033
Materials and Supplies	86,164	60,517	39,557	20,960
Capital Outlay	13,915	16,724	9,049	7,675
Other	8,000	8,000	400	7,600
Total Instruction	127,121	88,057	50,049	38,008
Support Services:				
Pupils:				
Purchased Services	776	776	0	776
Instructional Staff:				
Salaries and Wages	47,500	49,435	37,345	12,090
Fringe Benefits	8,243	8,534	12,654	(4,120)
Purchased Services	25,475	39,520	20,353	19,167
Total Instructional Staff	81,218	97,489	70,352	27,137
Administration:				
Capital Outlay	5,000	5,000	0	5,000
Operation and Maintenance of Plant:				
Materials and Supplies	1,500	2,500	1,242	1,258
Pupil Transportation:				
Purchased Services	2,100	2,100	0	2,100
Total Support Services	90,594	107,865	71,594	36,271
<i>Total Expenditures</i>	217,715	195,922	121,643	74,279
Excess of Revenues Over (Under) Expenditures	(186,515)	(128,707)	(54,428)	74,279
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	0	59,293	59,293	0
Operating Transfers Out	(59,293)	(59,293)	(59,293)	0
<i>Total Other Financing Sources (Uses)</i>	(59,293)	0	0	0
Net Change in Fund Balance	(245,808)	(128,707)	(54,428)	74,279
Fund Balance at Beginning of Year	131,398	131,398	131,398	0
Prior Year Encumbrances	327	327	327	0
Fund Balance (Deficit) at End of Year	(\$114,083)	\$3,018	\$77,297	\$74,279

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Dwight D. Eisenhower Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$15,635	\$43,275	\$43,275	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Fringe Benefits	163	163	163	0
Purchased Services	15,343	12,096	12,014	82
Total Instruction	15,506	12,259	12,177	82
Support Services:				
Instructional Staff:				
Salaries and Wages	13,445	12,780	4,875	7,905
Fringe Benefits	2,452	2,166	899	1,267
Purchased Services	9,000	9,000	1,478	7,522
Materials and Supplies	16,668	16,604	7,231	9,373
Total Support Services	41,565	40,550	14,483	26,067
<i>Total Expenditures</i>	57,071	52,809	26,660	26,149
Net Change in Fund Balance	(41,436)	(9,534)	16,615	26,149
Fund Balance at Beginning of Year	12,061	12,061	12,061	0
Fund Balance (Deficit) at End of Year	(\$29,375)	\$2,527	\$28,676	\$26,149

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$299,168	\$285,178	\$285,178	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries	2,000	1,000	1,000	0
Fringe Benefits	326	158	158	0
Purchased Services	2,500	1,956	1,956	0
Materials and Supplies	21,032	7,641	7,641	0
Capital Outlay	47,498	27,162	27,162	0
Total Instruction	73,356	37,917	37,917	0
Support Services:				
Pupils:				
Salaries and Wages	71,729	106,112	106,112	0
Fringe Benefits	19,825	21,588	23,074	(1,486)
Purchased Services	35,449	20,871	20,871	0
Materials and Supplies	9,747	5,448	5,448	0
Capital Outlay	600	0	0	0
Other	0	50	50	0
Total Pupils	137,350	154,069	155,555	(1,486)
Instructional Staff:				
Salaries and Wages	40,834	36,629	35,254	1,375
Fringe Benefits	21,947	17,612	17,603	9
Purchased Services	6,799	5,534	5,669	(135)
Materials and Supplies	2,767	2,227	2,227	0
Capital Outlay	6,561	6,561	6,089	472
Other	0	0	(135)	135
Total Instructional Staff	78,908	68,563	66,707	1,856
Fiscal:				
Materials and Supplies	2,000	2,000	1,000	1,000
Operation and Maintenance of Plant:				
Capital Outlay	28,409	28,409	22,266	6,143
Pupil Transportation:				
Purchased Services	406	0	0	0
Total Support Services	247,073	253,041	245,528	7,513
Total Expenditures	320,429	290,958	283,445	7,513
Net Change in Fund Balance	(21,261)	(5,780)	1,733	7,513
Fund Balance at Beginning of Year	18,613	18,613	18,613	0
Prior Year Encumbrances Appropriated	2,243	2,243	2,243	0
Fund Balance (Deficit) at End of Year	(\$405)	\$15,076	\$22,589	\$7,513

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,743,247	\$1,410,115	\$1,410,115	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,003,632	888,089	866,917	21,172
Fringe Benefits	511,350	362,824	336,464	26,360
Purchased Services	28,066	22,934	11,993	10,941
Materials and Supplies	54,437	30,851	16,705	14,146
Capital Outlay	3,007	3,007	1,430	1,577
Other	150	150	0	150
Total Instruction	1,600,642	1,307,855	1,233,509	74,346
Support Services:				
Instructional Staff:				
Salaries and Wages	163,834	146,156	146,862	(706)
Fringe Benefits	95,053	59,190	55,030	4,160
Purchased Services	30,986	10,246	6,086	4,160
Materials and Supplies	23,909	8,043	1,526	6,517
Capital Outlay	6,429	5,777	1,648	4,129
Total Instructional Staff	320,211	229,412	211,152	18,260
Fiscal:				
Materials and Supplies	4,000	2,000	2,000	0
Pupil Transportation:				
Purchased Services	2,000	2,000	2,000	0
Total Support Services	326,211	233,412	215,152	18,260
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	9,468	8,446	4,573	3,873
Fringe Benefits	1,682	1,474	751	723
Purchased Services	500	0	0	0
Total Operation of Non-Instructional Services	11,650	9,920	5,324	4,596
<i>Total Expenditures</i>	1,938,503	1,551,187	1,453,985	97,202
Excess of Revenues Over (Under) Expenditures	(195,256)	(141,072)	(43,870)	97,202
<u>Other Financing Sources:</u>				
Advances In	0	6,497	6,497	0
Net Change in Fund Balance	(195,256)	(134,575)	(37,373)	97,202
Fund Balance at Beginning of Year	234,102	234,102	234,102	0
Prior Year Encumbrances	9,814	9,814	9,814	0
Fund Balance at End of Year	\$48,660	\$109,341	\$206,543	\$97,202

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$32,571	\$9,446	\$9,446	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	23,129	13,874	13,874	0
Fringe Benefits	7,679	5,619	5,633	(14)
Purchased Services	0	1,081	1,081	0
Materials and Supplies	326	722	722	0
Capital Outlay	657	5,399	5,399	0
Total Instruction	31,791	26,695	26,709	(14)
Operation of Non-Instructional Services:				
Community Recreation Services:				
Capital Outlay - New	4,832	2,958	2,958	0
Total Expenditures	36,623	29,653	29,667	(14)
Excess of Revenues Under Expenditures	(4,052)	(20,207)	(20,221)	(14)
<u>Other Financing Sources:</u>				
Advances In	0	16,240	16,240	0
Net Change in Fund Balance	(4,052)	(3,967)	(3,981)	(14)
Fund Balance at Beginning of Year	4,052	4,052	4,052	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$85</u>	<u>\$71</u>	<u>(\$14)</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$20,688	\$41,183	\$41,183	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	(210)	1,275	1,275	0
Fringe Benefits	(14)	14	204	(190)
Materials and Supplies	19,412	9,476	9,476	0
Capital Outlay	6,840	6,850	6,850	0
Total Pupils	26,028	17,615	17,805	(190)
Instructional Staff:				
Salaries and Wages	978	9,956	9,956	0
Fringe Benefits	142	4,326	4,453	(127)
Purchased Services	3,351	1,880	1,880	0
Capital Outlay	3,916	889	889	0
Total Instructional Staff	8,387	17,051	17,178	(127)
Operation and Maintenance of Plant:				
Purchased Services	850	850	850	0
Total Support Services	35,265	35,516	35,833	(317)
Operation of Non-Instructional Services:				
Community Recreation Services:				
Materials and Supplies	389	277	277	0
Capital Outlay - New	1,404	1,404	1,404	0
Other	0	0	3,246	(3,246)
Total Operation of Non-Instructional Services	1,793	1,681	4,927	(3,246)
Total Expenditures	37,058	37,197	40,760	(3,563)
Excess of Revenues Over (Under) Expenditures	(\$16,370)	\$3,986	\$423	(\$3,563)

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2002
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(\$13)	(\$13)	(\$13)	\$0
Net Change in Fund Balance	(16,383)	3,973	410	(3,563)
Fund Balance at Beginning of Year	4,516	4,516	4,516	0
Prior Year Encumbrances	2,821	2,821	2,821	0
Fund Balance (Deficit) at End of Year	<u>(\$9,046)</u>	<u>\$11,310</u>	<u>\$7,747</u>	<u>(\$3,563)</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
School Age Child Care Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	\$0	\$0	\$0	\$0
<u>Expenditures:</u>	0	0	0	0
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	<u>(65)</u>	<u>(65)</u>	<u>(65)</u>	<u>0</u>
Net Change in Fund Balance	(65)	(65)	(65)	0
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>65</u>	<u>65</u>	<u>65</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
E-Rate Funding Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Miscellaneous	\$0	\$77,317	\$77,317	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	29,900	22,243	22,213	30
Materials and Supplies	0	3,059	3,059	0
Capital Outlay	86,748	91,602	91,602	0
<i>Total Expenditures</i>	<u>116,648</u>	<u>116,904</u>	<u>116,874</u>	<u>30</u>
Net Change in Fund Balance	(116,648)	(39,587)	(39,557)	30
Fund Balance at Beginning of Year	<u>42,770</u>	<u>42,770</u>	<u>42,770</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$73,878)</u></u>	<u><u>\$3,183</u></u>	<u><u>\$3,213</u></u>	<u><u>\$30</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Continuous Improvement Plan Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$28,482	\$43,482	\$43,482	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	13,850	13,850	13,850	0
Fringe Benefits	2,071	2,071	2,071	0
Purchased Services	4,834	4,834	4,834	0
Materials and Supplies	808	808	808	0
Total Instruction	<u>21,563</u>	<u>21,563</u>	<u>21,563</u>	<u>0</u>
Support Services:				
Instructional Staff				
Salaries and Wages	18,001	23,371	14,871	8,500
Fringe Benefits	3,900	2,518	2,518	0
Purchased Services	19,100	27,738	27,738	0
Materials and Supplies	16,752	9,605	9,605	0
Total Support Services	<u>57,753</u>	<u>63,232</u>	<u>54,732</u>	<u>8,500</u>
<i>Total Expenditures</i>	<u>79,316</u>	<u>84,795</u>	<u>76,295</u>	<u>8,500</u>
Net Change in Fund Balance	(50,834)	(41,313)	(32,813)	8,500
Fund Balance at Beginning of Year	<u>50,834</u>	<u>50,834</u>	<u>50,834</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$9,521</u></u>	<u><u>\$18,021</u></u>	<u><u>\$8,500</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
Title VI-R Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$240,548	\$229,937	\$229,937	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special:				
Salaries and Wages	199,261	142,395	142,395	0
Fringe Benefits	90,509	74,714	76,348	(1,634)
<i>Total Expenditures</i>	<u>289,770</u>	<u>217,109</u>	<u>218,743</u>	<u>(1,634)</u>
Net Change in Fund Balance	(49,222)	12,828	11,194	(1,634)
Fund Balance at Beginning of Year	49,151	49,151	49,151	0
Prior Year Encumbrances Appropriated	<u>71</u>	<u>71</u>	<u>71</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$62,050</u></u>	<u><u>\$60,416</u></u>	<u><u>(\$1,634)</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$1,345,960	\$1,373,327	\$1,385,799	\$12,472
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	428,676	349,807	354,747	(4,940)
Fringe Benefits	81,118	61,207	67,865	(6,658)
Purchased Services	45,248	37,809	38,454	(645)
Materials and Supplies	86,246	182,066	182,085	(19)
Capital Outlay	59,785	88,474	88,474	0
Other	9,900	4,371	4,371	0
Total Regular	710,973	723,734	735,996	(12,262)
Special:				
Materials and Supplies	0	399	2,884	(2,485)
Capital Outlay	0	23,536	23,075	461
Total Special	0	23,935	25,959	(2,024)
Total Instruction	710,973	747,669	761,955	(14,286)
Support Services:				
Pupils:				
Salaries and Wages	185,812	146,460	146,465	(5)
Fringe Benefits	16,393	20,507	21,330	(823)
Materials and Supplies	19,808	73,791	78,133	(4,342)
Capital Outlay - New	0	1,739	1,739	0
Total Pupils	222,013	242,497	247,667	(5,170)
Instructional Staff:				
Salaries and Wages	91,956	104,950	104,950	0
Fringe Benefits	32,508	17,781	23,314	(5,533)
Purchased Services	163,315	84,542	75,266	9,276
Materials and Supplies	0	3,796	3,796	0
Capital Outlay	5,150	99,459	99,459	0
Total Instructional Staff	292,929	310,528	306,785	3,743
Board of Education:				
Other	2,460	1,151	1,151	0
Administrative:				
Salaries and Wages	(769)	5,769	231	5,538
Fringe Benefits	80	883	238	645
Total Administrative	(\$689)	\$6,652	\$469	\$6,183

(continued)

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2002
(continued)*

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fiscal:				
Purchased Services	\$7,750	\$7,000	\$7,000	\$0
Operation and Maintenance of Plant:				
Salaries and Wages	32,554	8,579	8,579	0
Fringe Benefits	5,639	1,361	1,390	(29)
Total Operation and Maintenance of Plant	38,193	9,940	9,969	(29)
Pupil Transportation:				
Salaries and Wages	38,714	30,728	31,813	(1,085)
Fringe Benefits	7,587	1,678	4,710	(3,032)
Purchased Services	51,211	48,098	38,626	9,472
Total Pupil Transportation	97,512	80,504	75,149	5,355
Total Support Services	660,168	658,272	648,190	10,082
Operation of Non-Instructional Services:				
Food Service Operations:				
Purchased Services	34,919	10,000	0	10,000
<i>Total Expenditures</i>	1,406,060	1,415,941	1,410,145	5,796
Excess of Revenues Over (Under) Expenditures	(60,100)	(42,614)	(24,346)	18,268
<i>Other Financing Sources (Uses):</i>				
Refund of Prior Year Expenditures	0	69	69	0
Refund of Prior Year Receipts	(992)	(992)	(992)	0
Advances In	0	12,878	12,878	0
Advances Out	0	(6,142)	(6,142)	0
Transfers In	0	421	421	0
Transfers Out	(421)	(421)	(421)	0
<i>Total Other Financing Sources (Uses)</i>	(1,413)	5,813	5,813	0
Net Change in Fund Balance	(61,513)	(36,801)	(18,533)	18,268
Fund Balance at Beginning of Year	27,871	27,871	27,871	0
Prior Year Encumbrances Appropriated	21,099	21,099	21,099	0
Fund Balance (Deficit) at End of Year	<u>(\$12,543)</u>	<u>\$12,169</u>	<u>\$30,437</u>	<u>\$18,268</u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Budget Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$377,804	\$586,454	\$586,454	\$0
Intergovernmental	0	0	77,525	77,525
Interest	0	24,388	35,536	11,148
<i>Total Revenues</i>	<i>377,804</i>	<i>610,842</i>	<i>699,515</i>	<i>88,673</i>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal				
Other	866	866	866	0
Debt Service:				
Principal Retirement	17,084,284	17,084,284	17,084,284	0
Interest and Fiscal Charges	191,152	191,152	191,152	0
<i>Total Debt Service</i>	<i>17,275,436</i>	<i>17,275,436</i>	<i>17,275,436</i>	<i>0</i>
<i>Total Expenditures</i>	<i>17,276,302</i>	<i>17,276,302</i>	<i>17,276,302</i>	<i>0</i>
Excess of Revenues Over (Under) Expenditures	<u>(16,898,498)</u>	<u>(16,665,460)</u>	<u>(16,576,787)</u>	<u>88,673</u>
<u>Other Financing Sources:</u>				
Proceeds from Sale of Bonds	0	17,070,000	17,070,000	0
Transfers In	0	14,284	14,284	0
<i>Total Other Financing Sources</i>	<i>0</i>	<i>17,084,284</i>	<i>17,084,284</i>	<i>0</i>
Net Change in Fund Balance	(16,898,498)	418,824	507,497	88,673
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>(\$16,898,498)</u>	<u>\$418,824</u>	<u>\$507,497</u>	<u>\$88,673</u>

PORTSMOUTH CITY SCHOOL DISTRICT
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal:				
Capital Outlay	4,190	20,775	20,775	0
Operation and Maintenance of Plant:				
Capital Outlay - New	<u>0</u>	<u>20,059</u>	<u>20,059</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,190</u>	<u>40,834</u>	<u>40,834</u>	<u>0</u>
Excess of Revenues Under Expenditures	(4,190)	(40,834)	(40,834)	0
<u>Other Financing Sources:</u>				
Proceeds from Sale of Fixed Assets	<u>0</u>	<u>279,000</u>	<u>279,000</u>	<u>0</u>
Net Change in Fund Balance	(4,190)	238,166	238,166	0
Fund Balance at Beginning of Year	<u>33,289</u>	<u>33,289</u>	<u>33,289</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$29,099</u></u>	<u><u>\$271,455</u></u>	<u><u>\$271,455</u></u>	<u><u>\$0</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		Actual	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$84,740	\$84,740	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	411	970	970	0
Fringe Benefits	103	150	150	0
Purchased Services	2,179	2,179	2,179	0
Materials and Supplies	1,680	1,580	1,580	0
Capital Outlay	40,813	125,036	40,330	84,706
Total Instruction	45,186	129,915	45,209	84,706
Support Services:				
Instructional Staff:				
Fringe Benefits	29	0	0	0
Materials and Supplies	272	272	272	0
Total Support Services	301	272	272	0
<i>Total Expenditures</i>	45,487	130,187	45,481	84,706
Net Change in Fund Balance	(45,487)	(45,447)	39,259	84,706
Fund Balance at Beginning of Year	40,365	40,365	40,365	0
Prior Year Encumbrances	5,122	5,122	5,122	0
Fund Balance at End of Year	\$0	\$40	\$84,746	\$84,706

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Technology Equity Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$33,533	\$33,533	\$0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,016	1,510	1,660	(150)
Fringe Benefits	501	227	251	(24)
Purchased Services	718	10,827	6,199	4,628
Materials and Supplies	10,581	16,059	11,083	4,976
Capital Outlay - New	6,154	23,639	10,826	12,813
Total Instruction	19,970	52,262	30,019	22,243
Support Services:				
Instructional Staff:				
Salaries and Wages	1,764	2,835	1,920	915
Fringe Benefits	277	447	286	161
Purchased Services	8,810	8,810	5,413	3,397
Total Support Services	10,851	12,092	7,619	4,473
<i>Total Expenditures</i>	30,821	64,354	37,638	26,716
Net Change in Fund Balance	(30,821)	(30,821)	(4,105)	26,716
Fund Balance at Beginning of Year	29,905	29,905	29,905	0
Prior Year Encumbrances	916	916	916	0
Fund Balance at End of Year	\$0	\$0	\$26,716	\$26,716

PORTSMOUTH CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Interactive Video Distance Learning Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$59,700	\$59,700	\$0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	3,850	3,850	65	3,785
Fringe Benefits	650	650	10	640
Purchased Services	17,250	17,250	10,723	6,527
Materials and Supplies	2,000	2,000	0	2,000
Capital Outlay	41,250	41,250	36,402	4,848
<i>Total Expenditures</i>	<u>65,000</u>	<u>65,000</u>	<u>47,200</u>	<u>17,800</u>
Net Change in Fund Balance	(65,000)	(5,300)	12,500	17,800
Fund Balance at Beginning of Year	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$58,500)</u></u>	<u><u>\$1,200</u></u>	<u><u>\$19,000</u></u>	<u><u>\$17,800</u></u>

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STATISTICAL SECTION

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PORTSMOUTH CITY SCHOOL DISTRICT

General Government Expenditures by Function

Last Nine Fiscal Years

<u>Fiscal Year (1)</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Current:				
Instruction:				
Regular	\$7,027,985	\$7,162,433	\$7,486,322	\$8,898,991
Special	3,017,411	3,394,561	3,467,054	4,010,240
Vocational	557,395	554,939	612,204	591,248
Adult/Continuing	34,553	37,417	37,810	34,520
Support Services:				
Pupils	763,140	882,767	906,913	962,974
Instructional Staff	836,259	798,981	866,564	939,430
Board of Education	97,849	179,990	216,995	50,077
Administration	1,479,068	1,329,850	1,448,231	1,506,813
Fiscal	329,414	322,568	306,135	369,277
Business	199,727	107,474	90,862	107,831
Operation and Maintenance				
of Plant	1,554,817	1,674,598	1,692,744	1,730,510
Pupil Transportation	279,309	278,821	288,126	349,928
Central	65,814	66,708	110,674	75,363
Non-Instructional Services	1,019,867	1,020,912	1,096,727	1,222,273
Extracurricular Activities	336,181	327,790	363,805	349,848
Capital Outlay	1,000	2,016	8,800	21,112
Debt Service	14,284	14,284	73,950	50,694
Intergovernmental	0	0	267,956	55,167
Total Expenditures	<u>\$17,614,073</u>	<u>\$18,156,109</u>	<u>\$19,341,872</u>	<u>\$21,326,296</u>

Source: Portsmouth City School District records.

- (1) Fiscal Year 1996 is the first year reported on a GAAP basis.
All prior fiscal years are reported on a cash basis.

Since this is the first year statements have been prepared using the new reporting model, no comparisons for governmental activities are presented.

TABLE 1

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$7,830,717	\$8,188,229	\$8,373,454	\$8,964,698	\$9,789,456
3,705,898	4,407,544	4,358,619	4,855,621	5,338,568
592,689	599,697	581,967	309,130	400,072
34,953	9,373	0	0	0
1,016,706	1,018,108	1,083,640	1,156,875	1,249,195
988,939	1,202,427	1,343,213	1,483,167	2,488,248
17,910	23,605	21,922	20,021	19,134
1,378,777	1,429,757	1,706,539	1,544,596	1,213,258
385,867	443,856	448,584	493,869	675,353
96,869	105,837	45,146	69,677	69,701
1,821,551	1,904,219	1,653,162	1,922,523	1,529,814
350,333	462,206	340,371	407,401	446,885
76,980	77,371	66,516	67,066	24,932
1,140,687	1,100,295	1,167,485	1,226,995	1,246,882
394,367	349,163	414,548	394,193	261,428
37,043	656,734	102,108	399,435	917,141
112,688	466,026	407,103	114,079	777,984
449,800	450,300	62,370	70,000	35,000
<u>\$20,432,774</u>	<u>\$22,894,747</u>	<u>\$22,176,747</u>	<u>\$23,499,346</u>	<u>\$26,483,051</u>

PORTSMOUTH CITY SCHOOL DISTRICT
General Government Revenues by Source
Last Nine Fiscal Years

Fiscal Year (1)	1994	1995	1996	1997
General Revenues				
Property Taxes	\$4,149,660	\$4,164,018	\$4,334,825	\$3,935,262
Intergovernmental	12,419,682	12,556,883	14,495,018	15,453,959
Interest	57,151	128,598	158,690	151,716
Increase in Fair Value of Investments	0	0	0	0
Tuition and Fees	66,712	73,458	64,724	49,110
Extracurricular Activities	147,615	153,188	145,855	150,650
Rentals	0	0	39,774	56,448
Customer Sales and Service	256,957	278,080	336,471	377,193
Contributions and Donations	0	0	0	29,175
Miscellaneous	166,303	257,734	254,621	77,135
Total Revenues	<u>\$17,264,080</u>	<u>\$17,611,959</u>	<u>\$19,829,978</u>	<u>\$20,280,648</u>

Source:

Portsmouth City School District records.

(1)

Fiscal Year 1996 is the first year reported on a GAAP basis.
All prior fiscal years are reported on a cash basis.

Since this is the first year statements have been prepared using the new reporting model, no comparisons for governmental activities are presented.

TABLE 2

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$4,128,605	\$4,154,222	\$4,236,890	\$4,218,468	\$5,365,498
16,268,367	16,920,946	16,748,801	18,053,967	19,723,492
169,199	205,031	195,052	170,912	292,402
0	0	0	0	82,856
31,966	4,370	102,917	44,146	312,936
160,805	175,251	140,454	136,602	91,939
17,826	11,358	2,814	5,472	39,801
494,153	289,602	299,970	338,477	218,602
51,494	33,237	26,434	50,488	52,885
<u>270,584</u>	<u>139,055</u>	<u>149,179</u>	<u>287,358</u>	<u>1,745,779</u>
<u><u>\$21,592,999</u></u>	<u><u>\$21,933,072</u></u>	<u><u>\$21,902,511</u></u>	<u><u>\$23,305,890</u></u>	<u><u>\$27,926,190</u></u>

PORTSMOUTH CITY SCHOOL DISTRICT
Property Tax Levies and Collections - Real and Public Utility Property
Last Ten Collection (Calendar) Years

Collection Year	Current Tax Levied (1)	Current Taxes Collected (2)	Percent Collected
1993	\$4,335,561	\$3,442,334	79.40%
1994	4,450,554	3,542,521	79.60%
1995	4,602,238	3,638,579	79.06%
1996	4,676,999	3,474,352	74.29%
1997	4,814,798	3,566,948	74.08%
1998	4,899,332	3,544,707	72.35%
1999	4,680,066	3,343,290	71.44%
2000	5,084,471	3,776,181	74.27%
2001	4,469,364	3,657,368	81.83%
2002	5,978,480	5,130,633	85.82%

Source: Scioto County Auditor

- (1) Taxes levied and collected are presented on a cash basis because that is the manner that information is maintained by the County Auditor.
- (2) State reimbursements of rollback and homestead exemptions are included
- (3) Penalties and interest are included since, by Ohio law, they become part of the tax obligation as assessment occurs.

TABLE 3

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Collections To Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes To Tax Levied</u>
\$158,262	\$3,600,596	83.05%	\$388,590	8.96%
179,988	3,722,509	83.64%	401,907	9.03%
158,968	3,797,547	82.52%	432,648	9.40%
246,619	3,720,971	79.56%	515,154	11.01%
148,623	3,715,571	77.17%	578,103	12.01%
183,734	3,728,441	76.10%	585,343	11.95%
152,646	3,495,936	74.70%	377,524	8.07%
179,816	3,955,997	77.81%	287,126	5.65%
191,726	3,849,094	86.12%	548,323	12.27%
219,892	5,350,525	89.50%	756,705	12.66%

PORTSMOUTH CITY SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Collection (Calendar) Years (1)

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1993	\$137,297,830	\$392,279,514	\$19,841,642	\$79,366,568
1994	137,513,020	392,894,343	19,672,615	78,690,460
1995	141,353,390	403,866,829	20,931,560	83,726,240
1996	141,850,170	405,286,200	22,090,230	88,360,920
1997	141,026,710	402,933,457	21,516,880	86,067,520
1998	141,235,420	403,529,771	22,090,230	88,360,920
1999	158,735,190	453,529,114	22,661,750	90,647,000
2000	157,272,420	449,349,771	23,413,060	93,652,240
2001	157,450,420	449,858,343	23,567,270	94,269,080
2002	180,207,160	514,877,600	26,114,910	104,459,640

Source: Scioto County Auditor

- (1) Scioto County Auditor property tax records are maintained on a calendar year basis.
- (2) Ratio represents assessed value/total estimated actual value.

TABLE 4

Public Utilities Personal		Total		Ratio (2)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$24,009,450	\$68,598,429	\$181,148,922	\$540,244,511	33.53%
24,845,280	70,986,514	182,030,915	542,571,317	33.55%
23,087,510	65,964,314	185,372,460	553,557,383	33.49%
22,362,290	63,892,257	186,302,690	557,539,377	33.42%
21,558,640	61,596,114	184,102,230	550,597,091	33.44%
22,979,800	65,656,571	186,305,450	557,547,263	33.42%
22,045,820	62,988,057	203,442,760	607,164,171	33.51%
20,295,220	57,986,343	200,980,700	600,988,354	33.44%
20,616,890	58,905,400	201,634,580	603,032,823	33.44%
15,320,670	43,773,343	221,642,740	663,110,583	33.42%

PORTSMOUTH CITY SCHOOL DISTRICT
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

Collection Year	1993	1994	1995	1996
Portsmouth City School District	\$34.53	\$34.53	\$34.53	\$34.53
Scioto County	7.68	7.68	7.98	7.98
City of Portsmouth	12.35	12.35	12.35	12.35
Scioto County Joint Vocational School	4.37	4.37	5.37	5.37

Source: Scioto County Auditor

TABLE 5

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$34.53	\$34.53	\$34.53	\$34.53	\$34.53	\$41.03
7.98	7.98	7.98	7.98	7.98	7.98
12.35	12.35	12.35	12.25	12.25	12.25
5.37	5.37	5.37	5.37	5.37	5.37

TABLE 6

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Legal Debt Margin

June 30, 2002

Assessed Valuation of District		<u><u>\$221,642,740</u></u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$19,947,847
Amount available in Debt Service Fund		648,230
Gross indebtedness	<u>17,148,558</u>	
Net indebtedness		<u>17,148,558</u>
Legal debt margin within 9% limitation		<u><u>\$3,447,519</u></u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$221,643
Gross indebtedness	<u>78,558</u>	
Net indebtedness		<u>(78,558)</u>
Legal debt margin within 0.1% limitation		<u><u>\$143,085</u></u>

Source: Portsmouth City School District records.

TABLE 7

PORTSMOUTH CITY SCHOOL DISTRICT
*Ratio of General Obligation Bonded Debt to
Assessed Value and General Obligation Bonded Debt Per Capita
Last Fiscal Year*

<u>Year (1)</u>	<u>General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
2002	\$17,070,000	\$221,642,740	20,909	7.70%	\$816.39

Sources: Scioto County Auditor
Portsmouth City School District records
Census data for 2000 census

Note: No debt service expenditures were required in fiscal year 2002, therefore, the Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures table is not presented this year. It will be presented in future years.

TABLE 8

PORTSMOUTH CITY SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

As of June 30, 2002

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Portsmouth City School District	<u>\$17,070,000</u>	100.00%	<u>\$17,070,000</u>
Overlapping:			
Scioto County	6,630,705	28.80%	1,909,643
City of Portsmouth	<u>4,860,000</u>	100.00%	<u>4,860,000</u>
Total overlapping:	<u>11,490,705</u>		<u>6,769,643</u>
Total direct and overlapping debt:	<u><u>\$28,560,705</u></u>		<u><u>\$23,839,643</u></u>

Source: Ohio Municipal Advisory Council

TABLE 9

PORTSMOUTH CITY SCHOOL DISTRICT

*Construction, Bank Deposits and Property Values
Last Ten Calendar Years*

Year	Construction (1)		County Bank Deposits (2) (in thousands)	Property Values (3)
	Residential and Commercial Number of Permits	Property Values		
1993	324	\$8,202,443	\$199,892	\$392,279,514
1994	374	11,979,873	202,693	392,894,343
1995	352	5,021,936	199,554	403,866,829
1996	366	12,324,500	197,797	405,286,200
1997	345	24,623,057	0	402,933,457
1998	302	8,477,714	0	403,529,771
1999	199	4,320,294	0	453,529,114
2000	209	2,734,850	0	449,349,771
2001	272	5,254,757	0	449,858,343
2002	219	4,731,467	0	514,877,600

- Sources:
- (1) City of Portsmouth Building Department
2001 information is based on January through August only.
 - (2) Federal Reserve Bank of Cleveland
For 1997 through 2002 this information was not applicable.
Effective May 1997, Bank One Portsmouth became a branch
office of Bank One National Association of Columbus.
 - (3) Scioto County Auditor, calendar year basis - estimated actual
value of real property only.

TABLE 10

PORTSMOUTH CITY SCHOOL DISTRICT

*Demographic Statistics
Last Ten Calendar Years*

<u>Year</u>	<u>Scioto County Population (1)</u>	<u>Population of District (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Scioto County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate U.S.A (3)</u>
1993	80,726	22,768	3,882	10.70%	6.50%	6.90%
1994	80,919	22,705	3,751	10.00%	5.50%	6.10%
1995	81,097	22,694	3,466	9.70%	4.80%	5.60%
1996	80,905	22,625	3,406	9.90%	4.90%	5.40%
1997	80,756	22,676	3,307	9.90%	4.60%	4.90%
1998	80,756	22,676	3,180	10.70%	4.40%	4.70%
1999	80,756	22,676	3,059	9.16%	4.35%	4.42%
2000	80,756	22,676	2,918	8.30%	3.90%	4.10%
2001	79,195	20,909	2,628	6.30%	4.00%	4.90%
2002	78,435	20,909	2,257	8.50%	5.60%	5.90%

Sources: (1) Census data from the 2000 census.

(2) Portsmouth City School District

(3) Ohio Department of Jobs and Family Services (June)
Prior Years based on annual averages.

TABLE 11

PORTSMOUTH CITY SCHOOL DISTRICT

Top Ten Principal Taxpayers

<u>Name of Taxpayer</u>	<u>Total Assessed Valuation</u>	<u>% of Total School District Assessed Valuation</u>
Ohio Power	\$7,671,730	3.80%
OSCO Industries	3,620,020	1.80%
SOMC Title Holding Company	3,242,600	1.61%
Verizon North	3,083,320	1.53%
Hatcher, Neal & Vicky	2,285,310	1.13%
N & W Railway Company	2,235,590	1.11%
Hillview Retirement Center	1,813,110	0.90%
Mitchellace	1,581,860	0.78%
Columbia Gas of Ohio	1,372,430	0.68%
Oberling Ford	<u>1,231,790</u>	<u>0.61%</u>
Total Principal Taxpayers	<u><u>28,137,760</u></u>	<u><u>13.95%</u></u>
Total School District	<u><u>\$201,634,580</u></u>	<u><u>100.00%</u></u>

Source: Scioto County Auditor.
Latest information available is for calendar year 2001.

PORTSMOUTH CITY SCHOOL DISTRICT

*Enrollment
Last Ten Fiscal Years*

<u>Year</u>	<u>Preschool</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1993	8	313	308	311	277	289	283
1994	3	324	317	276	286	261	253
1995	15	296	278	263	251	271	239
1996	12	309	268	269	252	258	267
1997	15	289	274	238	251	249	243
1998	15	262	259	240	218	239	243
1999	12	276	244	235	225	215	241
2000	27	191	292	223	224	218	200
2001	20	204	195	240	209	211	208
2002	22	173	194	169	233	186	204

Source: Portsmouth City School District records.

TABLE 12

<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
346	309	285	353	281	260	259	3,882
304	326	294	337	252	266	252	3,751
260	276	291	313	248	224	241	3,466
240	267	271	362	241	196	194	3,406
261	259	263	325	249	212	183	3,311
235	243	251	306	234	231	204	3,180
234	240	231	289	211	201	205	3,059
239	226	225	295	171	190	197	2,918
198	236	206	194	208	174	125	2,628
192	156	168	144	130	172	114	2,257

TABLE 13

PORTSMOUTH CITY SCHOOL DISTRICT

Miscellaneous Statistical Data

June 30, 2002

Original Charter:	April 21, 1857
Form of Government:	Public School District
Area of District:	20 square miles
Number of Miles Traveled by Transportation Fleet for the Fiscal 2002 School Year:	21,501
Number of Meals Served by Food Service Department for the Fiscal 2002 School Year:	286,669

<u>School</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Harding Elementary	K - 6	348
Roosevelt Elementary	PK - 3	268
Wilson Elementary	K - 3	331
McKinley Elementary School	4 - 6	426
U.S. Grant Middle School	7 - 8	324
Portsmouth High School	9 - 12	560
Total		<u><u>2,257</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	22	12.14%
Bachelor +15	72	39.78%
Masters	87	48.07%
Total	<u><u>181</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	35	19.39%
6 - 10	18	9.98%
11 - 15	36	19.94%
16 - 20	30	16.62%
21 - 25	30	16.62%
26 and over	32	17.45%
Total	<u><u>181</u></u>	<u><u>100.00%</u></u>

Source: Portsmouth City School records

TABLE 14

PORTSMOUTH CITY SCHOOL DISTRICT
Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Portsmouth City All Funds</u>	<u>State Average</u>	<u>Difference + (-)</u>
1993	\$5,019	\$4,643	376
1994	5,975	5,043	932
1995	5,962	5,218	744
1996	6,089	5,545	544
1997	6,741	5,932	809
1998	6,326	6,285	41
1999	6,615	6,642	(27)
2000	6,791	7,094	(303)
2001	7,037	6,891	146
2002	9,258	8,057	1,201

Source: Portsmouth City School District records.

TABLE 15

PORTSMOUTH CITY SCHOOL DISTRICT, OHIO
Levy History

<u>Date of Election</u>	<u>Type of Issue</u>	<u>Millage</u>	<u>For</u>	<u>Against</u>	<u>Percent Favorable Votes</u>
06-05-79	General Operating	6.40	3,549	2,605	57.7%
11-08-88	General Operating	6.40	5,709	3,845	59.8%
11-06-01	New Facilities	6.50	4,476	1,780	71.6%

Source: Portsmouth City School District Records.

TABLE 16

PORTSMOUTH CITY SCHOOL DISTRICT

Statistical Data

June 30, 2002

Average Income	\$21,646	Proficiency Tests:	
Average Teacher Salary	\$39,662	Percentage of Students	
Average Number of Students to a Teacher	17	Required to Take the Test	
Percentage of 4th graders promoted to 5th	89.5%	Who Demonstrated Proficiency	
Percentage of 6th graders promoted to 7th	100%		
High School Graduation Rate	55.7%	Grade 4:	
Student Attendance Rate	92.2%	Math	35%
Staff Attendance Rate	95.1%	Reading	53%
		Writing	72%
Revenue Received by District		Citizenship	44%
Revenue Per Pupil (all funds)	\$11,423	Science	41%
Expenditure Per Pupil (all funds)	\$9,264		
		Grade 6:	
Student Demographics		Math	50%
Racial Ethnic Data Percentage		Reading	44%
White	88.0%	Writing	84%
Black	8.5%	Citizenship	59%
Hispanic	0.5%	Science	39%
Asian	0.5%		
American Indian, Alaskan	NC	Grade 9:	
Multi-Racial	2.2%	Math	67%
		Reading	89%
Disability Condition		Writing	90%
Number of Students with Disabilities	311	Citizenship	79%
		Science	71%
		Grade 12:	
		Math	60%
		Reading	93%
		Writing	97%
		Citizenship	84%
		Science	72%

Source: Ohio Department of Education, EMIS District Trend Report

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PORTSMOUTH CITY SCHOOL DISTRICT

SCIOTO COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 11, 2003**